

AGENDA

Montana Sage Grouse Oversight Team (MSGOT)

November 30: 1:00 p.m. – 4:00 p.m.

Zoom Webinar / Video Conference Meeting

1:00 – 1:15: Call to Order and Administrative Matters, John Tubbs, MSGOT Chair

- Introductions and Video Conference Logistics
- Approve Minutes
 - June 9, 2020
- Confirm Future Video Conference Meeting Date: December 14, 2:00 – 5:00 p.m.

1:15 – 1:30: MSGOT Reports and Program Report

1:30 – 2:00: Follow up Adaptive Management Discussion

- Introduction: Carolyn Sime, Program Manager
- Public Comment
- MSGOT Discussion and Possible Executive Action

2:00 - 3:50: 2020 Stewardship Account Grants

- Introduction: Carolyn Sime, Program Manager
- Presentations by Seven Grant Application Sponsors, 5-7 minutes each
 1. 54 Ranch Livestock, Brian Martin, The Nature Conservancy
 2. Alexander Ranch, Jim Berkey, The Nature Conservancy
 3. Bequette Property, Brad Hanson, Montana Land Reliance
 4. Fauth Ranch, Brad Hansen, Montana Land Reliance
 5. Jackson Ranch, Jim Berkey, The Nature Conservancy
 6. Mussard-Barrett, Jim Berkey, The Nature Conservancy
 7. Peters Ranch, Jim Berkey, The Nature Conservancy
- Public Comment
- MSGOT Discussion and Any Additional Public Comment
- Possible MSGOT Executive Action to Select 2020 Projects
- Next Steps: Carolyn Sime, Program Manager

3:50 – 4:00: Public Comment on Other Matters

NOTE: Agenda item times are approximate. Actual times may vary by up to one hour. Attendees who may need services or special accommodations should contact Carolyn Sime (406-444-0554 or csime2@mt.gov) at least 5 working days before the meeting.



MINUTES MONTANA SAGE GROUSE OVERSIGHT TEAM

June 9, 2020 Meeting Summary
Virtual Zoom Meeting

Members

Mr. John Tubbs, Chair, Montana Department of Natural Resources & Conservation, Director
Mr. Mike Tooley, Montana Department of Transportation, Director
Mr. Jim Halvorson, Montana Board of Oil and Gas, Administrator
Mr. Shaun McGrath, Montana Department of Environmental Quality, Director
Ms. Martha Williams, Montana Department of Wildlife, Fish and Parks, Director (Absent, no proxy)
Senator Mike Lang, Senate District 17
Representative Rhonda Knudsen, House District 34
Ms. Diane Ahlgren, Rangeland Resources Committee (Absent, voting proxy via Senator Lang)
Mr. Patrick Holmes, Governor's Natural Resource Policy Advisor

Staff Present

Ms. Carolyn Sime, Sage Grouse Habitat Conservation, Program Manager

Calls to Order

00:40:00 Director Tubbs: Called the meeting to order with instructions on protocol for the Zoom meeting and announced that the meeting is being recorded and public comments are open until June 16, 2020, 5 p.m.

Approval of Minutes

00:03:15 Approval of November 18, 2019 meeting minutes. Motion to approve by Director Tooley, seconded by Director McGrath.

00:03:30 Director Tubbs: Called for changes or discussion.

00:03:37 Director Tooley: Indicated that on page 7 at 01:14:06 Senator Lang is referred to as Senator Blaine.

00:04:15 Senator Lang: Asked if the Morgan (Red Lodge, MT) paperwork had been reviewed.

00:04:45 Director Tubbs: Said that the Morgan work had been accomplished in December.

00:05:05 Director Tubbs: Conducted roll call vote. Motion passed unanimously.

00:06:15 Senator Lang: Noted that the minutes included a discussion of a review of the Conservation Assessment 2020 and that the review would be presented to US Fish and Wildlife Service. Senator Lang put forth a motion that the committee see that paperwork prior to it being presented to the US Fish and Wildlife Service.

00:06:42 Director Tubbs: Said that a motion is not in order as this item is not on the agenda, but he committed that the program will provide a draft review to MSGOT prior to issuance to US Fish and Wildlife Service.

MSGOT, Program, and Partner Reports

00:08:11 Mr. Kyle Tackett, USDA-NRCS, District Conservationist, Dillon

NRCS is still very much engaged in the sage grouse world. NRCS allocated approximately \$4.5 million this fiscal year for the Environmental Quality Incentives Program for the Sage Grouse Initiative. This is on par with annual allocations for the last five years. It appears that the program will exceed the demand and be looking for additional funds from states that don't use these funds.

NRCS is seeing a big interest from producers on seeding some marginal crop land back to perennial grazing mixes, which they are excited about. In addition, NRCS continues to work on conifer encroachment with partners where it makes sense. They also continue to work with ranchers on overall range sustainability grazing management—a project that has been ongoing for a decade.

Easements are still in play. Montana NRCS is one of the leaders in the nation in easement allocations every year, no doubt in large part due to the partners and land trust groups in the state.

NRCS is rewriting strategy nationally this summer; an indication from leadership that NRCS is not going anywhere in this work. Mr. Tackett will reach out to partners when re-writing of the NRCS strategy begins.

00:10:15 Director Tubbs: Called for MSGOT member questions. None.

00:11:15 Mr. John Carlson, BLM MT Sage Grouse Implementation Lead

BLM continues sage grouse implementation of the 2015 plans. The Memo Status of Greater Sage-Grouse Report [provided in the packet] from the BLM state director indicates that BLM did not trip any of the identified adaptive management triggers in the land use plans that would require them to change management direction—either from a habitat standpoint or a population standpoint.

Thanked FWP staff that helped work through some of the population analysis. As BLM moves forward, the reporting to this committee will become more robust with the help of FWP staff. BLM is integrating into the FWP program and using the priority habitat areas that are identified as trigger analysis areas—BLM is becoming more closely aligned with the state in how it does assessments of the status of the bird.

Work continues on habitat treatment projects in the various field offices as well as coordinating effects analyses, trigger analyses, and mitigation. Not getting as many calls from field offices; indicating that many previous issues and concerns have been addressed and overcome.

Reports from field offices indicate that lek monitoring numbers are up considerably due to a “Goldilocks” situation where things were just right in sage grouse habitat—birds were able to survive and reproduce. BLM is seeing success with the quality and quantity of habitat. The weather helps drive that success. BLM continues to work to keep quality habitat in order that the birds can respond adequately when weather conditions are favorable.

00:14:59 Director Tubbs: Called for questions or comments from MSGOT members. None. Asked for public comment.

00:15:40 Ms. Mary Manning, US Forest Service

Reported that the Beaverhead-Deer Lodge has partnered with the US Fish and Wildlife Service and FWP to do a nest study looking at nest success after hens have left the nest site and using the habitat assessment framework to look at the habitat characteristics where the hen has nested and also to look at where the nest is in relation to conifers and powerlines. This is believed to be year three of the study. Field sampling was done to determine if the 2003 Connelly et. al. Guidelines are appropriate for southwest Montana. This is an exciting effort and a great partnership. There have also been new lek sites observed in the Big Hole.

00:17:15 Director Tubbs: Called for questions on Mary's update and public comment. Director Tubbs noted that this is really good information and the kind of research that will be needed over the years to continue to

make sure that the sage grouse protection plan is robust and as effective as possible. The issue of conifer encroachment is an important one because of the cost. Conifer encroachment data is going to be very useful in prioritizing affected areas.

00:17:46 Ms. Manning: Will provide report to Carolyn when it is ready.

00:18:04 Pause in the meeting to address technical difficulties.

00:20:20 Public Comment from Mr. Timothy Nixdorf: Does the state of Montana Program follow what all the other states are doing, or only focus on Montana?

00:20:51 Director Tubbs: Montana resources are for Montana specific issues only. The Department of Fish Wildlife and Parks is the population agency for Montana. We are also well connected with the US Fish and Wildlife Service and Carolyn is constantly working with our federal partners as the entire nine-state region moves forward with Sage Grouse issues. Meetings this year were cancelled. We participate in the regional effort and with our federal agencies. Montana is in a unique position in that when the Montana Sage Grouse Plan was adopted it allowed for BLM resource management plans to be more closely aligned with the Governor's Executive Order. As a result, some of the litigation and other issues that are faced by other states are not as relevant in Montana. We do track regional activity.

00:22:05 Ms. Sime: Added that she and FWPs Catherine Wightman both participate in monthly conference calls scheduled through the Western Association of Fish and Wildlife Agencies that include regular updates from all the states within the range.

Spring Creek Mine TR1 Permit Revision, Greater Sage Grouse Mitigation Measure

00:23:06 Mr. Shaun McGrath - Director, Montana Department of Environment Quality.

Director McGrath provided highlights of the information provided in the packet:

Spring Creek Coal Company applied to DEQ for the major revision TR1 project at the Spring Creek Mine, in November 2013. The TR1 project will add approximately 977 acres of disturbance within that existing permit boundary.

The Executive Order does not apply in the case for two reasons. First, the mine was originally permitted prior to the effective date of the Executive Order. Second, the new disturbance will occur within that existing defined project boundary of the previously-permitted mine.

Spring Creek Coal's requirement to mitigate for Greater Sage-grouse Habitat impacts is required of MSUMRA (the Montana Strip and Underground Mining Reclamation Act). The TR1 mitigation measure was based on the analysis that DEQ did in the EIS (Environmental Impact Statement). An approach to provide compensatory mitigation off-site was pursued because DEQ determined that opportunities for effective on-site sage grouse habitat were limited.

Spring Creek Coal is required to provide these funds (\$107,727) as a condition of DEQs final permit approval which was issued March 27, 2020. If MSGOT accepts these funds, it would target future Stewardship Account grants for the Southeastern Montana Service Area.

In 2010, the BLM completed an environmental assessment that analyzed the environmental impacts of modifying two existing leases to include a tract of Federal coal reserves in the TR1 project area. As part of the environmental review a habitat recovery and replacement plan was developed between Spring Creek Coal and BLM. That was done in consultation with Montana Fish, Wildlife and Parks and DEQ. The HRP included 14 stipulations to mitigate the loss of sage grouse and other wildlife habitat within the disturbance areas. Spring Creek Coal has worked to implement the required stipulations. However, the requirement to deposit the compensatory funds into the Montana Fish Wildlife and Parks Landowner Incentive Program (LIP Account) has not been fulfilled because that LIP fund no longer

exists. In a letter to BLM and Fish, Wildlife and Parks, DEQ requested that BLM and FWP first concur with sage grouse impact analysis in DEQs MEPA review of that TR1 major revision proposal and secondly to agree that DEQ mitigation measure satisfies the condition in the HRP for Spring Creek Coal to provide funds to the now defunct LIP program. In BLM and FWP response letters back to DEQ, both respectively, mutually agreed and concurred with DEQs mitigation measure and the placement of the mitigation funds in the Stewardship Account. The TR1 mitigation measure was based on the TR1 Greater Sage-grouse Habitat Assessment Memorandum in DEQ's EIS. The TR1 EIS for the Greater Sage-grouse mitigation measures were informed by the TR1 Greater Sage-grouse Habitat Assessment Memorandum. Finally, the assessment memorandum estimated a compensatory mitigation payment of \$107,727. What's before us today, Mr. Chairman, is for MSGOT to consider accepting these funds into the Stewardship Account.

- 00:28:15 Director Tubbs: Called for public comment on the acceptance of compensatory mitigation of \$107,727 associated with this agenda item. No comment.
- 00:28:48 Director Tubbs: Called for a motion for approval of acceptance of compensatory mitigation.
- 00:29:02 Director McGrath: I will so move. The motion was seconded.
- 00:29:11 Director Tubbs: Called for discussion by MSGOT members.
- 00:29:33 Senator Lang: Asked if the money will go into the Stewardship Account and will be used by the MSGOT.
- 00:29:48 Director Tubbs: Responded to Senator Lang—Yes, the money would be deposited in the Stewardship Account and limited to MSGOT use. Any approval of use would take a further action by MSGOT.
- 00:30:08 Director Tubbs: Thanked the program staff and DEQ staff for working through this change of ownership and is now back on track for Spring Creek Mine TR1 sage grouse mitigation.
- 00:30:25 Director Tubbs: Called for a vote on the motion to accept compensatory mitigation. Motion approved unanimously.

Modified Mitigation Policy Approach for Development Projects Utilizing Trenchless Methods

[See Brief Sheet, presentation, and Trenchless narrative document]

- 00:31:12 Ms. Carolyn Sime – Program Manager, Montana Sage Grouse Habitat Conservation Program
Brief Sheet and PowerPoint presentation in printed meeting materials and included in the Notes online.
- 01:06:39 Director Tubbs: Called for public comment following Ms. Sime's presentation.
- 01:07:14 Mr. Gary Wiens (Montana Electric Cooperatives Association): Said the association supports the proposal and thanked DNRC for working with the stakeholders. Appreciates the latitude given in this proposal that provides for the ability to deal with situations that are outside of the right of way on private property while still meeting the intent of the co-located facilities. Said more work needs to be done on other aspects of *de minimis* impacts, but the plan does meet one of the primary needs of co-location.
- 01:08:15 Director Tubbs: Called for additional public comment.
- 01:08:44 Mr. Scot Buerkle (Mid-Rivers Communications): Thanked Carolyn and her team for the presentation; all worked together to come up with a very workable solution going forward that allows Mid-Rivers to place fiber optic facilities to members in their area.
- 01:09:23 Director Tubbs: Called for additional public comment.

- 01:09:41 Ms. Amy Seaman (Director of Science & Policy, Montana Audubon): Expressed appreciation in the thoroughness of the project and presentation. Said the process was a good example of how the committee and stakeholders can keep working together as changes come about.
- 01:10:26 Director Tubbs: Called for additional public comment. None.
- 01:10:41 Director Tubbs: Called for a motion to approve the Modified Mitigation Policy Approach for Development of Projects Utilizing Trenchless Methods.
- 01:10:57 Director Tooley: I move approval, seconded by Senator Lang.
- 01:11:08 Director Tubbs: Asked for any discussion by MSGOT members. None.
- 01:11:22 Director Tubbs: Commended Carolyn and her staff on conducting multiple stakeholder meetings, fortunately, before COVID restrictions hit the state. Expressed that this is a positive step for sage grouse conservation, incentivizing trenchless technology; providing an option that would be less expensive from the sage grouse conservation perspective as well as being more protective. Said that this type of product is very much in the spirit of how MSGOT was started and the direction of the Executive Order.
- 01:13:02 Director Tubbs: Called for vote for approval for the Modified Mitigation Policy Approach for the Development of Projects Utilizing Trenchless Methods. Passed unanimously.

Board of Oil and Gas Conservation Implementation of Senate Bill 299

[See Brief Sheet and Notice to Operators]

- 01:14:42 Mr. Jim Halvorson - Administrator, Montana Board of Oil and Gas

Presentation has two parts. One is informational in terms of how the Board of Oil and Gas approaches its part of Senate Bill 299. We also have a recommendation for MSGOT's discussion on a part of Senate Bill 299 that applies to wells drilled after the implementation of the Executive Order.

The major part of SB 299 is that the bill became effective in May of 2019. The principle impact to the Board of Oil and Gas was that land uses and activities that were permitted prior to September 8, 2015, are exempted from the Sage Grouse Program as established by the Executive Order and that includes primarily the wells that were drilled prior to the effective date of the Executive Order (referring to Section 1 of SB 299).

The second part that has some impact to the Board is Section 3, which required that the regulatory agencies cooperate with MSGOT and the Program to determine what maintenance activities are exempt from the habitat quantification tool and that would apply primarily to the wells permitted or drilled after the effective date of the Executive Order.

The meeting package contains a summary sheet and the notice to operators that the Board prepared after the passage of Senate Bill 299. These have been reviewed with the DNRC and with the Governor's Office. The Board's primary authority is for oil and gas and Class II injection wells located on private or state mineral ownership. We also have Class II injection authority co-shared with the Bureau of Land Management on federal lands. The Board can issue Class II injection permits for those federal lands. The primary permits that are issued by the Board are drilling permits, injection permits, and we also approve well plugging and abandonment plans. Our rules require a lot of notice to the Board of activities that impact subsurface well configuration or construction. The primary purpose of those requirements is to maintain accurate records of what's going on under the ground.

There can also be some impacts to the mineral estate through recompletion of wells or perforating a new zone or even a construction change that has potential environmental impacts. We refer to those, even though they come in on the same form, as more like notifications to us. The majority of those

could not be denied by us, but they may require future follow-up through the Board for things such as a correlative rights protection.

Our main challenge was trying to figure out what is “discretionary” and what is “non-discretionary” (or maintenance activities). We decided to base our definition on whether or not the proposed action was consistent with the original permit that was issued. Our short definition would be (and it’s included on the summary sheet): “non-discretionary activities” are those necessary to keep a well producing or injecting, as authorized under the original drilling permit, but only if the well has been continuously active and the action cannot reasonably be undertaken outside of a seasonal closure period.

Senate Bill 299 required that the regulatory agency apply timing stipulations. Timing stipulations vary whether you are in General Habitat, Core Area or Connectivity Habitat (which has the same requirements as General Habitat). We chose to take the approach that we are going to try defer all activity in either General or Core habitat or at least make the operator recognize if they are in sage grouse habitat that they may have stipulations applied. They may need to think about that when they are putting together a program. The consistency with the original Board-approved permit, and that’s based off of the assumption that a person is granted a permit to drill and produce a well, so there is a certain amount of maintenance activity that is going to be required to maintain that production. The notice that we prepared to the industry is attached (2 pages). The primary considerations were that any activity that results in new surface disturbance is subject to the Sage Grouse Program. The activities that we are considering only apply within the original footprint that was authorized by the original permit. We also stressed that an operator has to think about (if they are in Core or General habitat) the timing stipulations. We are going to encourage them to avoid any activity. The real purpose in that is that we don’t want to get into a position of playing a game of Battleship where an operator proposes to work on 3 wells and he is going to have to drop or delay 1 well in his program because it ends up within 2 miles of a lek. We want them to think about that continually and not get into a position where we are causing undue expense or delay. If they can plan their activity outside of the closure windows, which is usually March 1 or March 15 through July 15, we are all better off.

These timing stipulations have not been a major issue in the years that the Sage Grouse Program has been in effect. Primarily because spring is not a good time to do work. With the amount of moisture we have had the last few years and recently this year, there are almost no discretionary activities going on in sage grouse country. Sage grouse country has an awful lot of mud and slick roads. It is not uncommon for operators to plan all of their discretionary work for later in the year anyway.

To put some magnitude on this, I did a review of all of the approvals that we have done during 2020. There is one major operator in Montana that has a lot of activities and ongoing projects in sage grouse habitat and that is Denbury Resources. This year we have approved 11 applications from them. All of the work has either been postponed to after July 15 or it was completed during February. All of those activities missed the timing stipulations. Other operators amounted to 7 approvals total for 6 different operators. None of those occurred or were impacted by the timing stipulation. It is not often that we are going to have to apply those stipulations.

The hourly restrictions we will apply as they are set forth. This primarily has to do with noise at lek boundaries. We do need an updated lek map. We have had one in place for about a year now and I’d like to see an update of that.

Finally, if you would turn to the 2-page document that we prepared to distribute to operators. This generally has been in effect since SB 299 became effective, which has been almost a year now. We haven’t run into any real complexities. The exclusion that if there is any new surface disturbance, operators automatically have to go to the Sage Grouse Program is stressed. We have identified the “discretionary” vs. “non-discretionary” activities and warned them that any activities viewed as “discretionary” will be subject to the timing stipulations.

I am going to skip the middle part of the first page because that gets to the recommendation that we are going to make to the Oversight Team (to discuss and consider adopting). The bottom part of the page are our Guidelines and again stressing stay away from March to July, if you can. If you can’t, you

will likely have stipulations in General Habitat that is going to be primarily based on lek locations. And a statement that the hourly restrictions will be applied.

The second page of the handout is just how we tried to break out “non-discretionary” and “discretionary” activities, with an allowance for emergency response: spill releases, fires.

The other thing that happens a lot in the oil industry (especially with our notices that are required for different levels of subsurface work) is that we may approve a type of work and then when operators get into it they find out that they have to do some additional work that requires another permit from us. So, we are going to treat that under the stipulations of the original permit that got them there.

There is also a certain amount of work that can be done without any notice to us. If you are on a well with a rig doing work that doesn't require notice to us and you find out that you have to take two or three hours to a cement squeeze or something, we are not going to make them (operators) stop working. That scenario is covered by Section 2.

We also have the federal underground injection control program that has been delegated to us by the EPA. It has its own requirements. There is some flexibility in our application of that, but there are certain things that have to be done to injection wells that have a timeframe that's covered in number 3 under “non-discretionary” activities. Finally, we stressed again that the well has to be continuously active if you want us to consider it to be a “non-discretionary” activity. I think that is the first time we have ever addressed this -- the work may be necessary to get the well back to production, but if you waited 4 or 5 months to do it then we will expect you to wait until a period outside of the (seasonal) closure period to do that work.

An attempt to determine what discretionary activities again -- recompletion, deepening, stimulation, or abandonment of a well that's been inactive, and, you are not there because of a previously approved action in either 2 or 3 of the prior section. A statement that any activities that require prior approval at a well that has been inactive for 1 year and that is based off a Board rule that has specific requirements for wells that have not produced or injected for 1 year.

We sent a message to the operators that we're not going to order them to do work that would put them in violation of a timing stipulation.

Let's go back to the middle of the first page of the operator handout, dealing with Section 3 of SB 299. Any well that was permitted after September 8, 2015, is still under management through the Sage Grouse Program and the Executive Order. For those wells, operators still have to contact the Program for recommendations or stipulations before we approve those activities. We incorporate any stipulations from those in our approval of the proposed work. So, we are the primary agency monitoring whether or not those stipulations are followed.

Finally, in Section 3 it said that the permitting agency is required to work with the Oversight Team as to when the habitat quantification tool should be applied. Our recommendation after our review is the habitat quantification tool should be applied only when the proposed activity includes new surface disturbance. With any other activity not requiring surface disturbance, being consistent with the permit that authorizes them to drill and produce their well.

1:30:09 Director Tubbs: I am going to break this up in to two parts. First is that Senate Bill 299 has a notification from permitting agencies/regulatory agencies to MSGOT as to how they are going to implement and apply Section 1, and that does not require concurrence. It's more of a recording keeping item so that we can know that various permitting agencies are implementing Senate Bill 299, and we are aware of how they are implementing it.

The second part of the discussion is about Section 3, which is the operation and maintenance of, in this case, oil and gas wells permitted after the effective date of the Executive Order. That does require MSGOT concurrence, and that is why it is a discussion item here is to make sure we are ready to take that vote at a future MSGOT meeting. I do think that it is important to have this discussion because oil

and gas has taken a lead here. I think we need to discuss, especially the Section 3 approvals, in the context of how it might set some precedence for other agencies as they come forward and help guide those other agencies as they approach MSGOT for their notification and approval under SB299 as well.

- 01:31:41 Director Tubbs: Called for public comment and discussion with MSGOT on application of Section 1. Section 1 does not require concurrence; it is recording keeping so that MSGOT knows when and how various permitting agencies are implementing Section 1 of Senate Bill 299.
- 01:32:08 Mr. Alan Olson (Executive Director, Montana Petroleum Association): Thanked Mr. Halvorson for the work he has put into this and believed the information presented fell in line with discussions that Senator Lang and he had had with Mr. Halvorson and Patrick Holmes at the last meeting. This comes close to full compliance with the intents of Senate Bill 299.
- Operations and maintenance on flow lines and injection lines aren't normally regulated by the Board of Oil and Gas but could require a permit by the BLM. In that instance would the BLM have to forward that to the program, and would there be required compensation on those issues?
- 01:33:22 Director Tubbs: Said he will refer this question back to program staff.
- 01:33:44 Mr. Rusty Shaw (Denbury Resources, Environmental Compliance Manager): Said Denbury supports what Mr. Halvorson is proposing and that the Oversight Team should adopt. Said Denbury also supports the discretionary and nondiscretionary type activities. Stated Mr. Halvorson is correct, in that most of the time Denbury cannot conduct operations during the stipulation periods so it shouldn't affect operations going forward. Restated support of the proposal on behalf of Denbury.
- 01:35:07 Ms. Seaman (Director of Policy & Science, Montana Audubon): Commented towards the permit question that Mr. Olsen raised; perhaps there should be a more detailed process similar to what the Trenchless Working Group provided. Said she would be happy to participate in a more detailed process with this agency, if they are willing. Montana Audubon would like to see more detail given the increasing number of abandoned wells or the increasing threat of that happening. It is difficult to track individual wells and a more streamlined, clear process is needed. Appreciated hearing about an upcoming planned conservation assessment to help inform these processes while there is conversation open to how we address these issues.
- 01:37:22 Director Tubbs: Called for additional public comment.
- 01:37:34 Director Tubbs: There is no motion. Section 1 is a communication from the Board of Oil and Gas to MSGOT as to how they are applying Section 1.
- 01:37:46 Director Tubbs: The discussion which I will open up to MSGOT members on Section 3 and Administrator Halvorson, I am going to say some words and hopefully you can chime in and see if I heard you correctly.
- 01:38:01 Director Tubbs: Called for discussion of Section 3 of SB299 from the 2019 legislative session. Section 3 is the operation and maintenance of, in this case, oil and gas wells permitted after the effective date of the Executive Order (relative to designating as exempt from the HQT certain operations and maintenance activities that require a permit and whether the activities may still be subject to stipulations such as the seasonal use period and also relative to "discretionary" maintenance). This *does* require MSGOT concurrence and why it is a discussion item (informational) today. The purpose of discussing it today is to prepare for a vote at a future MSGOT meeting.
- 01:39:01 Mr. Halvorson: Yes, I agree.
- 01:39:07 Director Tubbs: This has not been discussed before by MSGOT. It is something that MSGOT will need to approve, which is why I wanted to have it as a discussion during this meeting as opposed to making a decision. Also, I am a little hesitant as Director Williams is not present and I want to make sure she has the opportunity to take a look at this.

In general, we are trying to understand what operation and maintenance activities are, in this case for oil and gas specifically. A key distinction is—they can access the well head, but if they are to disturb the land, then it becomes a new activity. All activity, based on what the Board is putting forward, should take place outside of the timing stipulations. I can get behind those two fairly easy. I think the application of “discretionary” is where the focus needs to be, so that we can see those timing stipulations and how they are imposed. Again, if it’s “non-discretionary” operators would not be subject to them. But, any “discretionary” activity during the seasonal restrictions would be subject to mitigation.

- 01:40:33 Director Tubbs: Called for discussion by MSGOT members, keeping in mind other programs and projects and how that might be implicated as well.
- 01:41:00 Ms. Sime: Suggested that as the Oversight Team thinks about this informational item it might be helpful to rename it. She stated that clearly observing the seasonal periods when activities would occur in areas near leks is a minimization measure, which is a positive thing for birds and a positive thing that seasonal restrictions haven’t proved to be a limitation for industry, in most cases. Encouraged Oversight Team to think about how Montana could track and be able to actually report minimization measures that are being undertaken as a positive benefit to birds and that the state is taking with respect to future conservation assessments or status reviews by the US Fish and Wildlife Service. She noted sage grouse litigants have been winning in court lately so Montana might do well to come up with a way to capture, record and report minimization measures under either Section 1 or Section 3 of Senate Bill 299.
- 01:42:49 Director Tubbs: Called for additional discussion for MSGOT members. None.
- 01:42:55 Said a future MSGOT meeting agenda item will be set to consider final approval. Will consider other ways to provide comprehensive detailed information based on Ms. Seaman’s comments so that MSGOT, stakeholder groups, as well as the public are involved.
- 01:43:26 Director Tubbs: Called for public comment on any matter not on the agenda.
- 01:43:50 Alan Olsen (Director, Montana Petroleum Association): Said that Montana Petroleum Association has sent communications to Ms. Sime, Director Tubbs and Mr. Holmes inquiring about mitigation compensation if a project does not come to fruition, mainly mitigation for the operations phase of a project. Expressed hope that this issue be considered at a future meeting.
- 01:44:19 Director Tubbs: Thank you for the reminder. In the world of oil and gas, often times speculation plays a roll. You could come up with a dry hole—you go in with the intention of developing oil and gas and you find out that there is no reserve to develop. Presently, full compensation will be requested. Mr. Olsen, as well as one of the members of his Association, has raised a legitimate issue on how we deal with the situation where a hole was dry and the long term impact of a new well does not exist since it was not developed / was a dry hole, although MSGOT has been compensated for it. That’s a very legitimate issue to discuss and will be a subject of the next meeting.
- 01:45:36 Director Tubbs: Asked for additional public comment. Seeing none Director Tubbs invited Ms. Sime to comment on program grant status.
- 01:46:04 Ms. Sime: Provided an update on the status of the Stewardship Account Grants since November 2019.

The Watson Conservation Easement: Montana Land Reliance requested additional funds due to increase in the appraised value. MSGOT approved. The project successfully closed May 29, 2020. The total award from MSGOT was \$265,500 and was matched with NRCS funds.

Willow Basin Conservation Easement: During the 2019 grant cycle, MSGOT selected the Willow Basin Conservation Easement in southwest Montana. That was a Nature Conservancy proposal. The project successfully closed March 20, 2020, with a total award of approximately \$240,000 of state funds matched with NRCS funds.

The Burgess Ranch Term Lease: This was a 30-year term lease from the 2019 grant cycle. The lease also incorporated restoration and reseeded components. That term lease closed in April 2020. As a lease, it falls under contract law not Montana's Open Space Act addressing easements. The Restoration Plan has been finalized, in conjunction with the landowner and the Conservation District. Reseeding efforts are underway. This project will take approximately two years to complete the restoration efforts. The Program, the landowner and the Garfield County Conservation District are continuing work to complete an initial condition report to establish the baseline of the property at the time the lease was executed.

Final agreements were not reached on the King Ranch Term Lease or the Shultz-Gran Prairie term lease projects. We worked together very closely until earlier this Spring, but neither project could move forward. Could not reach agreement on the lease terms. There may have been other concerns on the part of the families. We appreciate their willingness to explore the tool. These two term lease projects provided great opportunity to understand more from a landowner perspective on this tool as well as to develop template agreements that would be available in the future when MSGOT is ready to entertain term leases.

Two remaining 2019 MSGOT funded projects are Mark Lewis and Sauerbier Ranch, both Montana Land Reliance projects. The Mark Lewis project is in active negotiations and expected to close in in 2020. The Sauerbier Ranch is more likely to close in 2021 because it has an NRCS match, which typically takes longer to close. We have fully executed grant agreements for both of those projects. The final EAs have been completed, so we will work at the pace set by the Montana Land Reliance as well as the landowner to get those projects closed.

Lastly, MSGOT's Stewardship Grant discussions in the past included concern about adequate monitoring and enforcement of term leases. Concerns were expressed that a grant sponsor may not have the capacity or be able to monitor with the rigor of MSGOTs expectation. I want to provide you with a confidence and the reassurance that the Program has developed a term lease monitoring protocol document very similar to what Montana Fish, Wildlife and Parks would do or the land trust organizations themselves would do to monitor perpetual easements. So be confident that we have set a high standard for how all these term leases would be monitored.

Also, know that comments from the Garfield County Conservation District and the Burgess Ranch. That lease is now in place and will be implemented by the conservation district. The Program will provide technical assistance upon the district's request. We will work with the conservation district and the landowner to complete the initial condition report. It has technical components to ensure that that initial condition report has enough detail that serves the conservation district (as well as MSGOT needs) and is agreeable to the landowner.

- 01:52:27 Director Tubbs: Asked for any additional public comment. None.
- 01:52:47 Director Tubbs: Thanked everyone for their time and patience with new Zoom technology.
- 01:53:00 Director Tubbs: Called for motion to adjourn.
- 01:53:07 Senator Lang: Motion to adjourn. The motion was seconded. Approved unanimously.
- 01:53:27 Meeting adjourned.

Chair for this meeting:

/s/ _____ x .

Director John Tubbs

**MONTANA SAGE GROUSE OVERSIGHT TEAM AGENDA ITEM BRIEF SHEET
NOVEMBER 30, 2020**

AGENDA ITEM: 2020 SAGE GROUSE STEWARDSHIP ACCOUNT GRANTS

ACTION NEEDED: CONSIDERATION OF SEVEN STEWARDSHIP ACCOUNT GRANT APPLICATIONS AND EXECUTIVE ACTION TO FUND, PARTIALLY FUND, DEFER, OR NOT FUND EACH APPLICATION, RESPECTIVELY

SUMMARY:

Background: The Sage Grouse Stewardship Account was established as a source of funding for competitive grants to establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that maintain, enhance, restore, expand and benefit sage grouse habitat and populations on private lands, and public lands as needed.

Grants create mitigation credits. These credits can be used to offset debits by developers who opt to make a contribution to the Stewardship Account in lieu of implementing their own permittee-responsible mitigation projects to offset impacts of their projects. A contribution to the Account is one of many ways developers can offset their impacts pursuant to MCA § 76-22-111(1)(b), but the contribution option has been the most commonly selected by developers. It is likely their cheapest, most expedient option.

The first Stewardship Account grant cycle occurred in the spring of 2016. Of the projects initially selected for funding by the Montana Sage Grouse Oversight Team (MSGOT), four moved forward. The second grant cycle occurred in fall, 2019. Funding was awarded to six projects, and four ultimately moved forward.

A third grant cycle was initiated in 2020. A total of \$4,037,904 is available. This total includes the final statutory appropriation of \$1.6 million for FY21, mitigation contributions received as of 11/16/2020, interest earnings, and unspent funds carried over from prior fiscal years.

Seven applications were received. The total amount of funding requested is \$4,606,463, including project costs. Requests exceed available funding by \$568,559. MSGOT will have to weigh and balance many factors in selecting projects.

All applications propose perpetual conservation easements: 54 Livestock, Alexander, Bequette Property, Fauth Ranch, Jackson Ranch, Mussard-Barrett, and Peters Ranch. Of these, four are located in the Southwest Service Area, and three are located in the Central Service Area. Five of the seven have matching funds in hand. None include a restoration or enhancement component.

The Habitat Quantification Tool was used to calculate the number of credits created for each project, along with other metrics. Each project does create credits, but the number varies widely. This is due to the differences in the size of the parcels that would be placed under the easement and significant variation in the underlying habitat quality. See the statewide summary information tables and more detailed information in the individual project summaries.

The Program obtained independent peer reviews of all seven applications from subject matter experts within state and federal natural resource agencies, a range scientist, and two independent wildlife biologists with direct knowledge and experience in sagebrush ecosystems and sage grouse ecology.

Peer reviewers noted that the 2020 applications were not as strong as the 2019 pool with respect to creating mitigation credits. In particular, the presence of low quality habitat, areas with no habitat value, existing cultivation or timbered areas within proposed easement boundaries were noted. Some reviewers suggested funding only the higher quality parcels where the easement would be comprised of several independent parcels. Noted strengths included well documented use by sage grouse for some applications, ensuring connectivity between SW Montana and Idaho for a migratory population, connecting these private



lands with other nearby or adjacent conservation easements and public lands, and broader socioeconomic and conservation benefits to local communities.

Peer reviewers uniformly identified the highest priority applications as: Peters Ranch, Mussard-Barrett, and 54 Livestock. Mid-tier applications were Fauth and Alexander. The lowest priority applications identified were Jackson Ranches and Bequette.

MSGOT has full discretion to fund applications of its choosing and at levels it decides. MSGOT can also identify applications it would like to fund, but defer funding until a later time. MSGOT can also decide to award funding, contingent on the grant applicant satisfying certain conditions.

The Program prepared a Recommendation Report to help inform MSGOT's deliberations. Because funding requests exceed what is available, three scenarios are presented. Each scenario assumes MSGOT finds sufficient merit in at least the top three priority applications identified by peer reviewers. From there, scenarios diverge, based on how many total applications MSGOT decides to fund and at what level.

Each scenario results in a balance remaining of the funds presently available, but at differing levels. This is because there is no clear way to optimize awards for the strongest applications and fund as many additional projects as possible. One option is to award less than the full requested amount. Awarding less than the full requested amount may jeopardize the ability of the applicant to obtain the funds elsewhere and close the project. However, state funds could be stretched farther, and more projects could be funded if MSGOT chose to do so.

Another reason to retain a balance and not fully award the \$4,037,904 is because applicants may need to request additional funds to close the project if final appraised values exceed estimated values. Also, and as importantly, there is no reliable way to project how fast new contributions will replenish the Account.

The Program recommends that MSGOT at least fund the applications identified in Scenario #1, consistent with the amounts requested by the applicants. They include: Peters Ranch, Mussard-Barrett, and 54 Livestock, and Fauth. These represent the three top priority applications and one mid-tier application.

Sufficient funds are available should MSGOT want to select additional applications. If that's the case, the Program recommends the Alexander application, which is the other mid-tier application. The Program also recommends a "do not fund" for the Bequette application. It was ranked as the lowest priority and reviewers noted the entire project area has little to no value as sage grouse habitat and area leks no longer support birds. Ultimately, MSGOT will need to decide what to prioritize and whether to award less than the requested amount.

More detailed information can be found in the Recommendations Report, the statewide summary information table for all 2020 grant applications, peer review comments and HQT maps, additional mapping work by the Program, and application materials provided by applicants themselves.

For those projects selected for funding, the Program would execute grant agreements. The parties would work towards finalizing easement terms at the pace set by the applicant and the private landowner. The Program would also complete a final environmental assessment and can work with the MSGOT Chair to issue a record of decision. Site visits would not occur until sometime in 2021. Projects would close as soon as possible and upon completion of each party's requirements, respectively.

PROGRAM RECOMMENDATIONS:

The Program recommends that MSGOT award Stewardship Account funds to at least the four projects identified in Scenario #1, consistent with the amounts requested by the respective applicants. Those projects are: Peters Ranch, Mussard-Barrett, 54 Livestock, and Fauth. The Program also recommends retaining some unobligated funds in the Account.



STEWARDSHIP ACCOUNT RECOMMENDATION REPORT

2020: THIRD GRANT CYCLE

INTRODUCTION

The purpose of the Stewardship Account grants is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that maintain, enhance, restore, expand, and benefit sage grouse habitat and populations on private lands. Stated more directly, the purpose is to create mitigation credits.

The majority of Stewardship Account funds must be awarded to projects that generate mitigation credits, which MSGOT makes available to developers to offset the residual impacts of development through compensatory mitigation after developers have already implemented avoidance, minimization, and reclamation efforts. Developers have discretion to either make a contribution to the Account and shift the burden to the state to offset the impacts through Stewardship Account grants or implement their own mitigation projects (permittee-responsible). To date, most developers opt to make a contribution to the Account.

The first Stewardship Account grant cycle occurred in the spring of 2016. Of the projects initially selected for funding by the Montana Sage Grouse Oversight Team (MSGOT), ultimately four moved forward and have closed: 44 Ranch, Hansen Livestock, Raths Livestock, and Watson.

MSGOT adopted final administrative rules regarding Montana's mitigation framework and the Habitat Quantification Tool (HQT) in late 2018. The rules took effect in early January, 2019. The Sage Grouse Habitat Conservation Program (Program) retroactively calculated the number of credits created by the first four grant awards.

The second Stewardship Account grant cycle was initiated in early 2019. Six applications were received, and MSGOT awarded funding to all six in September, 2019. Ultimately, only four moved forward. Of those, two have closed: Willow Basin Ranch and Burgess Ranch. The Marc Lewis project is expected to close in December, 2020. Saurbier Ranch is expected to close in the first quarter of 2021.

The third grant cycle was initiated in early fall, 2020. Would-be applicants were invited to submit potential projects for preliminary review and to obtain preliminary HQT results. Based on those results, would-be applicants could decide for themselves whether to submit a complete application. A total of eight pre-applications were received and preliminary results were provided by the Program. Ultimately, a total of seven complete applications were submitted. All seven applications propose perpetual conservation easements. None include a restoration or enhancement component. Site visits have not been conducted by the Program, in part due to the prevailing COVID-19 health and safety concerns.

Funding Available: A total of \$4,037,904 is available in the Stewardship Account specifically for Stewardship Grants. That amount accounts for appropriations, mitigation deposits through 11/16/2020, interest earnings and unspent funds carried over from prior fiscal years, and all prior Stewardship Account grant activity (previously expended, obligated to projects that have yet to close, or accrued to support Garfield County Conservation District). See separate summary table of funding available [blue paper].



[Note that additional \$869,246 has been deposited after MSGOT agreed to accept the funds as mitigation for two legacy projects (KXL Pipeline and TR-1). Mitigation for these projects was triggered by authorities other than Executive Order 12-2015 and the Stewardship Act. MSGOT was asked to accept the funds and allocate them through future grants. However, the terms require MSGOT to earmark and allocate these funds towards grant projects in specific counties where the development impacts would occur. None of the 2020 grant proposals are located in these specific counties. Therefore, these funds were not included in the total available for 2020.]

Funding Requested: A total of \$4,606,463 was requested across all applications (range: \$220,547 - \$1,827,116). See the summary table of all 2020 applications [green paper]. Of the total amount requested across all applications, \$202,050 is requested to cover project-related expenses (range: \$19,000 - \$53,250).

Five applications reflect that matching funds are in hand, and an MSGOT award would enable the grant sponsor to close the project as soon as all due diligence items are completed and negotiations on final easement terms conclude. Two applications reflect that matching funds are presently being sought, so an MSGOT award would still need to be matched with other funds prior to the grant sponsor closing the project.

APPLICATION PROCESSING AND PEER REVIEW

Application Processing: Seven complete applications were received and processed. Each complete application was accompanied by the necessary data to determine the number of credits each would create, respectively, using the MSGOT-approved HQT and Policy Guidance documents (v1, October 1018, respectively). The Program applied the HQT and applicable Policy Guidance parameters to each project accordingly. The total number of functional acres that would be gained and the number of credits created were determined for each project individually. The Program calculated additional metrics to allow comparisons between projects, accounting for different project acreages and locations. All HQT calculations assumed 100 years and total credits that would become available was adjusted for baseline to reflect that easements preserve the status quo.

Additionally, the Program undertook its own analysis to summarize a variety of other ecologically relevant metrics, such as number of active leks within a fixed distance of the grant project location, percentage of conserved or public lands near the project, and existing disturbance such as cultivation or unsuitable habitat like timbered areas. These summaries are included in MSGOT's meeting materials, along with complete application materials submitted.

Peer Review: Seven participating independent peer reviewers evaluated the original grant applications as submitted, HQT and credit calculations, along with the Program's additional ecological metrics and maps. Peer reviewers included representatives from Montana Fish, Wildlife & Parks, the U.S. Fish and Wildlife Service, the U.S. Bureau of Land Management, the U.S. Forest Service, a professional range scientist, and two independent wildlife biologists. Peer review comments were compiled into a single summary for each individual project (see the Peer Review Comments document that includes all peer review information and HQT maps).

Peer reviewers were asked to assign numerical scores to each application for seven different categories. Scores could range from 1 to 10, with 10 as the maximum high score, 5 as a medium score, and 0 as the lowest score. The maximum score that a peer reviewer could assign an individual application was 70 points. Across all seven reviewers, the maximum score possible for a single application is 490 points (7x70).



Scores were then totaled across all peer reviewers for each application and projects were ranking based on total points. The seven categories were as follows:

- Direct habitat conservation benefits;
- Indirect habitat conservation benefits;
- Direct population benefits;
- Indirect population benefits;
- Landscape attributes;
- Capacity to provide mitigation credits; and
- Other attributes.

Peer reviewers were also asked to rank each application as to funding priority on a scale of 1-7, with a rank of 7 assigned to the application that should receive the highest priority for the funding available and a rank of 1 reserved for the application that should receive the lowest priority.

CONSIDERATIONS FOR SELECTING PROJECTS AND STATUTORY GUIDANCE

The Greater Sage Grouse Stewardship Act provides statutory guidance to MSGOT when selecting projects for funding. MSGOT's own administrative rules provide additional guidance. Key criteria are:

- The extent to which the proposed project will maintain, enhance, restore, expand, or benefit sage grouse habitat and populations. MCA § 76-22-104(1).
- Compliance with stated eligibility requirements as to who is eligible to apply (agencies or organizations) and what projects types can be funded. MCA §76-22-110.
- The extent to which the proposed project generates credits that MSGOT can then make available to developers for compensatory mitigation. MCA § 76-22-109.
- The socioeconomic impacts on the local community including the views of interested and affected persons and entities, including local, state, tribal, and federal governmental agencies, and boards, commissions, and other political subdivisions of the state. MCA §§ 76-22-104(1)(a); 105(c).
- MSGOT should give greater priority to applications for conservation activities which would be implemented in Core Areas. MSGOT may also consider funding projects in General Habitat and Connectivity Areas where high resource values for sage grouse exist and credits could be generated consistent with MCA § 76-22-109, 14.6.102, ARM.
- MSGOT should give greater priority to proposed projects that maximize the number of credits generated per dollars of grant funds awarded. MCA § 76-22-104(1)(d); MCA 76-22-109(4).
- MSGOT should give greater priority to proposed projects with partnerships between public and private entities. MCA § 76-22-104(1)(a).



- MSGOT should give greater priority to proposed projects that provide matching funds and the extent to which such matching funds can be used consistent with the Act. MCA §§ 76-22-104(1)(b); 110(5).

DETERMINATION OF FUNDING REQUESTS AND AWARD AMOUNTS

Perpetual Easements: For perpetual conservation easements, applicants determine the requested amount of their own accord. The requested amount is based on availability and amounts of matching funds that applicants have either already secured from sources other than the Stewardship Account, or, are in the process of trying to secure by applying for funds through other funding entities or private donors. Land trust organizations have complete discretion to decide themselves on the request amount but are aware of MSGOT's selection criteria and the fundamental requirement that funds be used to incentivize conservation and create mitigation credits.

The "cost per credit created" through MSGOT's awards then varies by the level of state funding awarded to a particular project, the level of matching funds from other sources, and the underlying appraised value of the easement. The appraised value of conservation easements varies by region of the state and factors unique to the property itself.

In this third grant cycle, some applications have matching funds committed and in hand. Other projects do not presently have matching funds in hand, but applications are pending. Whether those applications will be successful is unknown at this time. For these projects, MSGOT would be the first entity to commit funding. That fact alone is not a reason to shy away from funding high priority applications, but it may be a reason for MSGOT to make its award contingent on the applicant's success in obtaining matching funds.

In addition to requesting the purchase price of the easements, both Montana Land Reliance and The Nature Conservancy have also requested additional project-related costs. Both organizations request funds to due diligence items like market appraisals, closing costs or an endowment contribution. MSGOT can exercise its discretion to award these funds as they are clearly related to the underlying project, but grants may not be used to supplement or replace the operating budget of an agency or organization except for budget items that directly relate to the purposes of the grant. MCA § 76-22-110(3).

The Oversight Team has complete discretion to decide on the award amount. The Oversight Team could decide to fund or not fund a proposed grant project in its entirety. Alternatively, the Oversight Team could award something less than 100% of the total amount requested. While awarding funding at an amount less than what was requested requires the grant applicant to make up the difference from other sources and may even jeopardize the grant applicant's ability to close the project, it allows MSGOT to tailor award amounts with a laser focus on the purpose of the funds and the highest quality habitats within a project and possibly fund more total projects in this or future grant cycles.

DISCUSSION

Introduction: Please refer to each application package for specific details, applications, letters of support, and common metrics summarized by the Program across all projects. Please also refer to the Peer Review Comments and HQT maps document for individual peer reviewer comments for each application.



A total of seven grant applications were received. See the table summarizing key metrics across all applications [green paper]. See also the statewide map.

Project Type: All seven applications seek funding for perpetual conservation easements. None include a restoration or enhancement component.

Project Locations: Three projects are located in the Central Service Area (Fauth, Livestock, and Bequette) and four projects are located in the Southwestern Service Area (Alexander, Jackson, Mussard-Barrett, and Peters Ranch). No applications were received for the North Central or Southeastern service areas. See the statewide map. No applications were received for projects located in counties where earmarked mitigation funds must be spent.

Presently, there is a credit surplus statewide and in the Central and Southwestern service areas, respectively. There is deficit of credits created through Stewardship Account funded projects in the Southeastern Service Area. The number of credits in the North Central Service area is approaching par with the number of debits. See the 2019 Annual Report.

Project Size: The number of physical acres varies between a low of 678 acres to a high of 8,315 acres. See summary table of all 2020 applications [green paper].

Amount Requested: The total amount requested ranges from a low of \$220,547 for a 2,523 where state funds account for 26% of the total cost to a high of \$1,827,116 for an 8,314 acre easement where state funds account for 75% of the total cost.

MSGOT should note that the request for the Jackson Ranch is \$485,000 for 923 acres of General Habitat in the Big Hole Valley. The vast majority of the acreage is outside designated habitat, which MSGOT is statutorily prohibited from funding. This explains why the requested amount from the Stewardship Account is shown as representing 6% of the total easement cost. This application is seeking state funds towards purchase of a larger easement. See summary table of all 2020 applications [green paper].

Credits: The number of credits created for each 2020 application (after baseline adjustment) is found in the 2020 summary table [green paper]. The total credits created by each project, respectively, varies widely (range 8,865 – 90,389). This is due to the wide range in the number of physical acres included within the easement and the differences in underlying habitat quality according the Habitat Quantification Tool basemap.

Accordingly, a standardized metric to compare across all proposals is number of credits per physical acre (or PA) per year. It ranges from a low of 0.033 (Bequette) to a high of 0.18 (Alexander Ranch) credits/physical acre/year.

overall, the values of this standardized metric for the 2020 applications are lower than the 2019 applications selected for funding pool (2019 range 0.109-0.266). See the summary table of prior grants [pink paper]. The lower 2020 values compared to the 2019 values were noted by peer reviewers and are captured in their general comments and project specific projects.

Easement Terms and Project Readiness: The Montana Land Reliance and The Nature Conservancy have each developed a template conservation easement document for projects funded with Stewardship Account dollars, respectively. Template language is usually shared with the



landowner so the landowner is aware of the state's underlying interests in funding these projects. Terms related to credits and mitigation are disclosed early. There may be slight differences in the other easement terms from draft versions to the final easement to address unique settings and landowner needs. Nonetheless, the key terms that guard against habitat loss and protect the state's interests are consistent in every easement that is funded with Stewardship Account dollars. Here, across these seven applications, the easement terms would mirror the terms in easements funded during the two prior Stewardship Account grant cycles. The Oversight Team can have confidence that each application would fundamentally protect sage grouse habitat and adequately protect the state's interests.

Across the seven applications, the expected closing date varies. Ultimately, it appears to depend on the status and disposition of matching funds (i.e. in hand vs. still seeking matching funds) and the progress to date on completing necessary due diligence items. Some projects are "shovel ready" and others are less so as applicants continue to seek matching funds from non-Stewardship Account sources. See the summary table of all 2020 applications for information about project readiness [green paper].

Peer Review Comments: Peer reviewers generally found some degree of merit in each of the seven applications. Examples of favorable comments included, with some paraphrasing for clarity and brevity:

- some projects were "shovel ready" with matching funds in hand;
- social benefits to the local community in transitioning the ranch to the next generation;
- strong existing collaborative efforts with diverse partners;
- close proximity or adjacent to other protected lands and/or public lands fosters connectivity;
- preserves connectivity between southwest Montana and Idaho for migratory populations;
- all projects preserve habitat and guard against potential for subdivision and further cultivation;
- even marginal projects are worth some level of funding from the Stewardship Account, if funding is available;
- sage grouse use of the project area is well documented through telemetry and other field studies; and
- projects located in a Core Area have value, even though the easement area would contain localized areas of low quality or marginal habitat or even unsuitable habitat (cultivation, timbered areas).

To the contrary, most reviewers expressed some degree of concern and/or reservations about the each of the applications. Examples of unfavorable comments included, with some paraphrasing for clarity and brevity:

- these applications were not as strong as previous application pools; [compare table on green paper for all 2020 applications with table of all past projects on pink paper];
- some project areas already had noticeable amounts of existing cultivation and timbered areas within the project boundary, so consider partial award so the state is not paying for these low to no value lands;
- no projects included a restoration or enhancement component;
- because portions of many projects contained lands that had marginal, low, or no value to sage grouse, overall credits created on the remaining areas are expensive for the requested award amount and compared to past projects;
- low HQT scores in general compared to previous application pools;



- requested amounts were not commensurate with credits /physical acre/year for the project overall because the project contained lands that were low to no value; credits would be too expensive for the state's share of the total cost; partially fund to make sure the state funds are used wisely and real mitigation benefits accrue;
- some applications had low amounts of matching funds, so requests from the Stewardship Account are disproportionately too high; and
- preponderance of projects in service areas where there may already be a credit surplus, or the general area is already well represented in previous grant cycles and in this particular application pool.

Peer reviewer scores and priority ranking based on total scores are shown below in Table 1. Out of a total of 490 possible points, the lowest total score was 142 (29% of the total possible) and the highest total score was 341 (69.6% of the total possible), a significant spread of 199 points.

No application broke the threshold of being awarded 75% or more of total points possible. The large point spread and that only three projects broke above the 60% mark can be explained by the contrast between favorable and unfavorable peer review comments listed above. One project scored marginally higher than all others and three clustered within 25 points of one another.

Nonetheless, peer reviewers uniformly identified the top three applications based on total points as: Peters Ranch, 54 Livestock, and Mussard-Barrett.

Falling in the middle tier were the Alexander and Fauth applications. Total scores for these two were nearly identical.

Peer reviewers uniformly placed Jackson Ranches and Bequette at the bottom positions on the priority list based on total points scored across even categories.

Table 1. Total numeric scores for each application summed across all peer reviewers out of a maximum of 490, the average peer reviewer score per project out of a maximum of 70 points, percent of total maximum possible, and priority order for available funding based on total points (higher score corresponds with higher priority for funding).

	54 Livestock	Alexander	Bequette	Fauth	Jackson Ranches	Mussard- Barrett	Peters Ranch
Reviewer #1	37	31	21	41	22	40	40
Reviewer #2	56	33	17	49	39	54	51
Reviewer #3	46	47	32	45	31	31	53
Reviewer #4	40	54	25	39	45	49	50
Reviewer #5	51	30	21	43	28	40	40
Reviewer #6	36	62	3	37	59	61	63
Reviewer #7	41	32	23	36	24	39	44
Sum	307	289	142	290	248	314	341
Average	43.86	41.29	20.29	41.43	35.43	44.86	48.71
% of Total 490 Points Possible	62.65	58.98	28.98	59.18	50.61	64.08	69.59
Priority Position Based on Total Points (high score = higher priority)	5	3	1	4	2	6	7

Peer reviewers were also asked to rank applications in order of priority for awards, given available funding. Rankings, average rank across all peer reviewers, and priority for available funding are shown below in Table 2.

As with points, there was a wide spread in the rankings out of a possible maximum of 49 (range: low of 12 – high of 43). Nonetheless, peer reviewers ranked the top three priorities for available funding as: Peters Ranch, 54 Livestock, and Mussard-Barrett.

Falling in the middle tier were the Alexander and Fauth applications. The sum of all ranking and the average rank were very close for these two applications.

The lowest ranking projects were Bequette and Jackson Ranches.

Table 2. Peer reviewer ranking of all applications in order of priority for available funding (7 is highest priority rank and 1 is the lowest rank), average priority rank across all reviewers, and priority order for available funding based on average rank assigned by peer reviewers. The maximum available rank sum is 49 (max of 7 given by all 7 reviewers).

	54 Livestock	Alexander	Bequette	Fauth	Jackson Ranches	Mussard- Barrett	Peters Ranch
Ranking: 7 is highest priority 1 is the lowest priority							
Reviewer #1	7	3	4	2	1	6	5
Reviewer #2	7	2	1	4	3	6	5
Reviewer #3	5	6	1	4	2	3	7
Reviewer #4	2	6	3	1	4	5	7
Reviewer #5	6	3	1	7	2	4	5
Reviewer #6	2	4	1	3	4	5	7
Reviewer #7	6	3	1	4	2	5	7
Sum All Rankings	35	27	12	25	18	34	43
AVERAGE RANK	5.00	3.86	1.71	3.57	2.57	4.86	6.14
Priority Position Based on Average Rank (highest priority = highest average rank)	6	4	1	3	2	5	7

All told when considering both total points and ranking, peer reviewers uniformly identified the top three applications as: Peters Ranch, 54 Livestock, and Mussard-Barrett.

When considering both total points and ranking, peer reviewers uniformly identified the lowest priority projects as: Jackson Ranches and Bequette.

The Alexander and Fauth projects fell in the middle tier for both scores and rankings. There was some disparity across individual peer reviews, but these two consistently fell within the mid-tier of the pool.

While the peer reviewers differed in their scores and rankings, those differences can be explained by their views regarding the unique strengths and weaknesses of each application. In particular, reviewers singled out things like: (1) the amount of state funds requested relative to the total project cost was excessive for the habitat quality; (2) project was not timely in that no matching funds had yet been secured; (3) portions of the project offered little to no habitat benefit to sage grouse; and (4) credit generation capacity was mixed, in that most credits were likely attributed to smaller portions of the total project area.

To the contrary, reviewers also singled out things like: (1) positive socioeconomic impacts and conservation accomplishments for the local community; (2) bird use of the project area has been

documented through more intensive studies; (3) value to preserving seasonal habitats for birds that migrate between southwest Montana and Idaho; and (4) habitat preservation, even though these projects, still contributes to Montana's goals by precluding cultivation and subdivision in the future.

Thus, there are a variety of factors to weigh and balance for each application. Ultimately, MSGOT will have to determine which factors to weigh the most heavily.

Beyond just scoring and ranking applications projects, peer reviewers were also asked about whether projects should be funded (yes/no), funded at a level less than requested, or deferred to a future grant cycle. Responses varied, but some themes emerged.

Reviewers seemed to key into whether or not matching funds were in hand, the proportion of the total project funding that would come from the Stewardship Account, habitat quality vs. cost to the state, and whether or not there was sufficient funding available to award all seven projects at the requested amount. No reviewers specifically flagged awarding project costs as problematic or as a way of stretching the state's available funding farther.

For the top three scoring / ranking applications, reviewers uniformly recommended that the Peters Ranch and the Mussard-Barrett be funded in 2020, while the 54 Livestock responses varied from yes, to yes but only partially to no or no/defer.

For the bottom two scoring / ranking applications, reviewers agreed that the Bequette project should not be funded in 2020 or only selected if sufficient funds were still available after funding the other, higher priority applications. Comments were more mixed for the Jackson Ranch, ranging from yes / yes contingent on additional cost share, defer or partial, to do not fund in 2020.

Summary of Peer Reviews and Program Synthesis: The following bullets summarize key points for MSGOT's consideration:

- All projects entail perpetual conservation easements, which is the strongest level of protection for sage grouse habitat. Easements only protect the status quo in comparison to development which impairs or eliminates habitat. Adjusting the number of credits downward (i.e. baseline calculation) partially accounts for this, but not entirely. Nonetheless, easements clearly contribute to the goal of avoiding habitat loss or fragmentation in the future. Habitat projection through easements is likely to be viewed favorably by the U.S. Fish and Wildlife Service and particularly if a formal status review is conducted sometime in the future.
- All projects have a mix of high to medium habitat quality with sometimes large patches of poor quality habitat or even habitat with no value (e.g. existing cultivation and timbered areas). The proportion of pockets of high quality to low quality to no value varies from project to project. See and compare HQT maps in the Peer Review Comments document and the credits created/physical acres/year in the 2020 application summary table [green paper].
- If MSGOT decides to award funds at this time, MSGOT will have to prioritize its awards in terms of the applications selected, the actual award amount, or both. In so doing, MSGOT will also be deciding whether to leave a balance in the Account for future grants and as a cushion for an unexpectedly higher appraisal value than initially estimated, or similar.



- All told, there is not enough available funding to award all applications at their full requested amount
 - total requested = \$4,606,463 vs. funds available = \$4,037,904
- Still further, there is not enough funding to award all applications, even if project costs were not awarded across the board.
 - total requested less project costs = \$4,399,413 vs. funds available = \$4,037,904.
- Broadly speaking, options available to MSGOT are to fully expend all presently available funds across all or some of these projects or to expend only some of the available funds on the strongest projects and reserve the remainder for future grant cycles, or to defer all pending applications until future grant cycles in hopes of stronger projects in future grant cycles.
- If MSGOT finds sufficient merit in the pool of applications at hand, more specific options include:
 - fund the only application that creates a commensurate number of credits per physical acre per year as the 2019 grants, Alexander, even though it was not identified as one of the top three priority applications. This option takes a narrow laser focus on maximizing creating credits and leaving a larger Account balance for future grant cycles and/or as a cushion to make sure funds are available should a successful applicant need additional funds to close the project;
 - fund the top priority applications identified by peer reviewers at 100% of the requested amount and leaving a balance [see Scenario #1];
 - fund as many applications as possible at a lesser amount than requested by not awarding project costs and leaving a modest balance [Scenario #2]; or
 - fund as many applications as possible at the full amount and require one grant applicant to solicit additional matching funds from other sources [Scenario #3].
- There is clear consensus among reviewers that the three strongest applications are: Peters, Mussard-Barrett, and 54 Livestock. These should be given highest priority for available funding.
- There is clear consensus that the two lowest priority applications are Jackson Ranch and Bequette.
 - In the case of the Jackson Ranch, identified limitations were high total cost, small parcel size, and fewer total credits making these credits the most expensive to create.
 - In the case of Bequette, limitations identified were poor to very poor habitat quality for sage grouse, low HQT results, and that leks within mapped buffers are either very small or have not supported birds for several years. Reviewers indicated that this application is just a poor fit for sage grouse, given the purpose of the Stewardship Account.
- MSGOT can consider funding the mid-tier priorities as identified by peer reviewers: Fauth and Alexander. There could also be sufficient funding for Jackson. However, depending on final award amounts, there is not enough funding to award funding to all three of these mid- and lowest-tier applications, in addition to the top three priority applications.

- To make the available funds go farther, MSGOT could consider not awarding project costs. This would allow MSGOT to allocate the \$207,050 in project costs towards a greater number of applications. Alternatively, MSGOT could consider not funding the full amount requested.
- Lastly, MSGOT should also weigh and balance the merits of these applications, alongside their locations relative to the credit surplus or credit deficit by Service Areas, respectively.

RECOMMENDATIONS

The Oversight Team has full discretion to fund, not fund, or partially fund any of the 2020 applications. There are insufficient funds to award all seven applications at the requested amounts.

The Program offers three funding scenarios for MSGOT's consideration. Each scenario assumes MSGOT finds sufficient merits in at least the top three priority applications identified by peer reviewers. From there, scenarios diverge, based on how many total applications MSGOT decides to fund and at what level.

Each scenario leaves a balance in the Account, but at different levels. The Program recommends retaining at least some funds in the Account and not fully expending the \$4,037,904 presently available.

On two previous occasions, grant applications sought additional funds from the Stewardship Account after the initial grant award because final appraised values were higher than estimated appraised values and more fund were needed to close the project. In both instances, funds were available and MSGOT approved the additional request.

Of particular importance to the decision of whether to leave a balance and at what level is that the rate at which funds accrue in the Stewardship Account through contributions by developers who chose to not implement their own permittee responsible projects is unpredictable. While the Program can endeavor to project future Account balances by what is "owed" to the Account, any projections would be unreliable.

Reasons for the difficulty in predicting future Account balances include: (1) developers retain complete discretion over when to initiate the permitting process with the respective state or federal agency; (2) there is now way to know how long the permitting process will take and when all permits would be obtained; and (3) developers retain discretion as to when to actually begin implementing the project or even cancel it altogether. The upcoming adaptive management discussion should yield a range of ideas to address this challenge, but until then, MSGOT is encouraged to take a conservative approach and leave some funds in the Account.

Under all three scenarios, the Program recommends the Bequette Property as a "do not fund" project for the reasons identified by the peer reviewers and stated previously. Even though the requested amount is relatively small, the credits created/physical acre/year is the lowest level of any easement project for which the Program has completed calculations. While the lands likely hold value for other wildlife, it simply is poor sage grouse habitat and not consistent with the underlying purposes of the Stewardship Account. Should MSGOT view it differently, there could be sufficient funds to award the Bequette application under Scenarios #1 and #2, but not #3.



Scenario #1, Table 3: Fully Fund the Top Priorities, Leave a Balance for Future Grant Cycles

Fund four, top priority applications at the 100% of the requested amount. Scenario #1 selects the top three priority applications identified by peer reviewers, awards project costs, includes the mid-tier Fauth and continues to emphasize broader community socioeconomic and conservation benefits. With the exception of Fauth, the three top priority applications all have matching funds in hand already.

This scenario leaves a remaining balance of \$633,988 for future grant cycles and as a cushion to address unexpected higher final appraised values or similar.

If MSGOT identified the Alexander application as another top priority in addition to the other 4 top priorities, this balance would be sufficient to award funding at the full requested amount of \$497,000. If MSGOT decided to do so, the remaining balance would be \$136,988.

Table 3. Funding Scenario #1. Fully fund the top priorities and leave a balance.

Scenario #1: Fully Fund the Top Priorities, Leave a Balance for Future Grant Cycles			
Application and Priority		Recommended MSGOT Award Amount	Amount Not Funded
1	Peters Ranch	\$530,000	N/A
2	Mussard-Barrett	\$527,800	N/A
3	54 Livestock	\$519,000	N/A
4	Fauth	\$1,827,116	N/A
TOTAL		\$3,403,916	N/A

Scenario #2, Table 4: Maximize Available Funding Across as Many Applications as Possible, Less Project Costs

Fund five total applications (instead of four), at less than the full requested amount by selecting the top three priority projects identified by peer reviewers, by not awarding project costs, including the mid-tier Fauth and Alexander applications, emphasizing four projects that having matching funding already in hand, and broader community socioeconomic and conservation benefits.

This scenario leaves a balance remaining of \$289,038. Even when project costs are eliminated, there is not enough funding to include the Jackson Ranch application under Scenario #2.

If MSGOT decided to award project costs for all five applications under this scenario, the balance remaining would be \$136,988.

Table 4. Funding Scenario #2. Maximize available funding across as many applications as possible by not awarding project costs as was requested.

Scenario #2: Maximize Available Funding Across as Many Applications as Possible, Less Project Costs			
Application and Priority		Recommended MSGOT Award Amount	Amount Not Funded
1	Peters Ranch	\$500,000	\$30,000
2	Mussard-Barrett	\$500,000	\$27,800
3	54 Livestock	\$500,000	\$19,000
4	Fauth	\$1,773,866	\$53,250
5	Alexander	\$475,000	\$22,000
TOTAL		\$3,748,866	\$152,050

Scenario #3, Table 5: Fully Fund as Many Applications as Possible with one Exception, do not Leave a Balance

Under Scenario #3, MSGOT would fund as many applications as possible (n=5) at their full requested amount. A sixth application would be funded at 76% of the total requested amount. The sixth project, Fauth, would be funded at less than the full amount requested. An MSGOT award of less than 100% of the requested amount simply means that the applicant must redouble efforts to secure additional matching funds.

Here, Fauth was selected as the exception to a full award amount, in part, because this applicant is still in the process of seeking matching funds from sources other than MSGOT, and an application to NRCS for FY21 ALE funding apparently was not submitted. Additionally, the original request is \$1,827,116, which is: (1) the highest request in the 2020 pool of applications; (2) requested project costs were the highest of any 2020 application; and (3) the original request exceeds the maximum amount ever awarded by MSGOT (44 Ranch) by about \$427,116 and creates half as many credits per physical acre per year as the 44 Ranch (0.109 vs. 0.22, respectively).

Scenario #3 leaves a balance of \$79,104 to address unexpectedly higher costs incurred by grant applicants, higher appraisal values, etc.

Table 5. Funding Scenario #3. Fully fund as many applications as possible, with one exception and do not leave a balance.

Scenario #3: Fully Fund as Many Applications as Possible with one Exception, do not Leave a Balance			
Application and Priority		Recommended MSGOT Award Amount	Amount Not Funded
1	Peters Ranch	\$530,000	N/A
2	Mussard-Barrett	\$527,800	N/A
3	54 Livestock	\$519,000	N/A
4	Alexander Ranch	\$497,000	N/A
5	Jackson Ranches	\$485,000	N/A
6	Fauth: contingent on increasing match from other sources	\$1,400,000	\$427,116
TOTAL		\$3,958,800	

Final Recommendation: The Program recommends that MSGOT award Stewardship Account funds to at least the four projects identified in Scenario #1, consistent with the amounts requested by the respective applicants. Those projects are: Peters Ranch, Mussard-Barrett, 54 Livestock, and Fauth. Leaving some unobligated funds (a balance) in the Account is also recommended.

MSGOT could consider funding additional applications, but will need to consider decreasing the award amount of one or more applications to do so.



2020 Stewardship Account Grants Funding Availability

(rounded to the nearest dollar)

Third Cycle**Appropriations for Stewardship Grants**

	FY2017	\$ 1,500,000
	FY2018	\$ 1,600,000
	FY2019	\$ 1,600,000
	FY2020	\$ 1,600,000
	FY2021	\$ 1,600,000
total appropriations		\$ 7,900,000

Stewardship Account Mitigation Deposits Through 11/16/2020

		\$1,824,513
<i>Specific Location Earmarked, but no applications in these areas:</i>	<i>TC Energy: KXL Pipeline</i>	<i>\$761,519</i>
	<i>Navajo: TR-1</i>	<i>\$107,727</i>
Available Deposits		\$955,267

Prior Stewardship Account Grant Activity (expended and/or obligated)

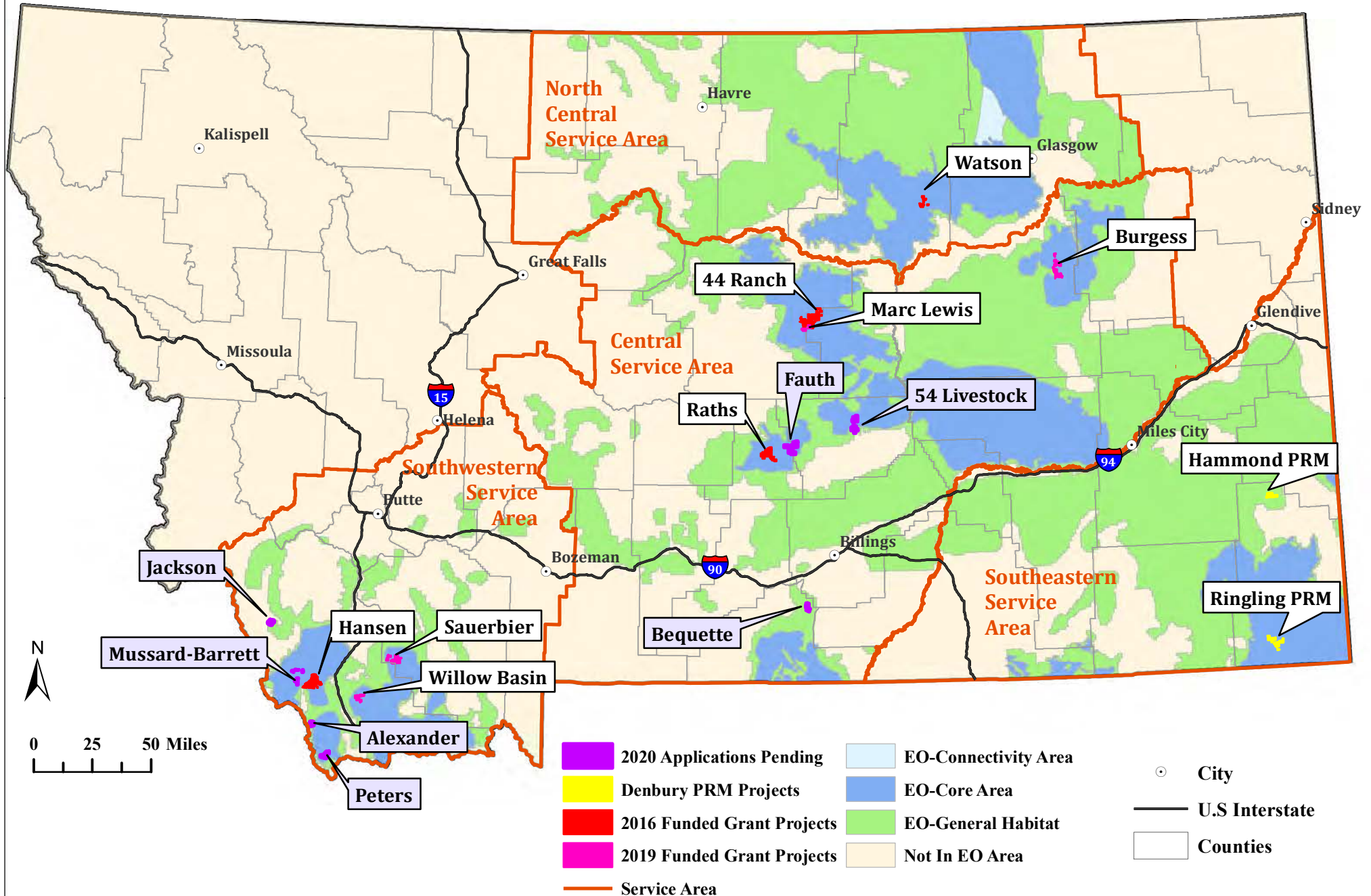
44 Ranch (closed)	\$ 1,500,000
Hansen Livestock (closed)	\$ 952,500
Raths Livestock (closed)	\$ 425,000
Watson (closed)	\$ 262,500
Willow Basin Ranch (closed)	\$ 242,500
Burgess Ranch (closed)	\$ 787,673
Marc Lewis (closing expected Dec. 2020)	\$ 496,238
Saurbier Ranch (closing expected Q1, 2021)	\$ 1,013,500
	\$ 5,679,911

interest earnings and unspent funds carried over from prior fiscal year \$ 862,548

Funding Available for 2020 Grants

[total appropriations + mitigation deposits] - [all prior Stewardship Account grant activity]	\$ 4,037,904
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Stewardship Account Grants and Permittee Responsible (PRM) Projects



Project Information					Raw HQT Score		Applicable Policy			Metrics			Stewardship Account Request and Project Finances				
	Project Type	Service Area	# of Years	Physical Acres	1 Year	Total (all years)	# of Credits awarded for newly created Fx-A		Baseline at 40%	Total Credits Available / Generated	Fx-A / PA / Yr	Credits / PA / Yr	Total Requested Amount from Stewardship Account	Stewardship Account Request as Percent of Total Project Cost (easement+expenses)	Project Costs Portion of Total Stewardship Account Request	Matching Sources Separate from Stewardard Account	Matching Award Status and Project Readiness
							Core Area (10%)	General Habitat (5%)									
54 Ranch Livestock Conservation Easement	Preservation (Perpetual)	Central Service Area	100	6,659.38	1,165.42	116,541.95	N/A	N/A	46,616.78	46,616.78	0.175	0.070	\$519,000	25%	\$19,000	\$1,512,582 (75% NRCS, pvt)	in hand; due diligence mostly completed; expected closing April 2021
Alexander Ranch Conservation Easement	Preservation (Perpetual)	Southwestern Service Area	100	678.85	310.11	31,011.11	N/A	N/A	12,404.44	12,404.44	0.457	0.183	\$497,000	89%	\$22,000	\$10,000 (11% pvt)	in hand; due diligence underway and completion expected fall 2021; closing expected early 2022
Bequette Property Conservation Easement	Preservation (Perpetual)	Central Service Area	100	2,523.75	206.85	20,685.50	N/A	N/A	8,274.20	8,274.20	0.082	0.033	\$220,547	26%	\$20,000	\$601,641 (74% NRCS)	in hand; mostly completed; closing expected June 2021
Fauth Ranch Conservation Easement	Preservation (Perpetual)	Central Service Area	100	8,314.50	2,259.75	225,974.63	N/A	N/A	90,389.85	90,389.85	0.272	0.109	\$1,827,116	85%	\$53,250	\$ 591,289 (15% NFWF, pvt)	will apply for NFWF grant 11-2020; decision expected ???; due diligence underway; closing expected by December 2021
Jackson Ranch Conservation Easement (balance of acres outside designated SG habitat)	Preservation (Perpetual)	Southwestern Service Area	100	923.81	219.45	22,164.49	N/A	N/A	8,865.79	8,865.79	0.297	0.119	\$485,000	6%	\$35,000	\$7,515,000 (94% NRCS, pvt)	will apply for NRCS FY21 ALE funding and decision expected May 2021; due diligence just getting underway; closing expected December 2021
Mussard Ranch Conservation Easement	Preservation (Perpetual)	Southwestern Service Area	100	2,436.41	1,003.21	100,320.55	N/A	N/A	40,128.22	40,128.22	0.238	0.095	\$527,800	24%	\$27,800	\$1,675,000 (76% NRCS, pvt)	in hand; due diligence completed; closing expected early 2021
Peters Ranch Conservation Easement	Preservation (Perpetual)	Southwestern Service Area	100	3,428.53	1,060.95	106,095.35	N/A	N/A	42,438.14	42,438.14	0.309	0.124	\$530,000	24%	\$30,000	\$1,515,000 (76% NRCS, pvt)	in hand; due diligence underway and completion expected fall 2021; closing expected by December 2021

Sum

\$4,606,463

\$207,050

10/29/2020

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Credits Created for Past Projects Funded by Stewardship Account Grants (Rounds 1 and 2), November 27, 2020

Project Information						Raw HQT Score		Applicable Policy				Metrics		Status
Project Name	Project Type	Service Area	# of Years	Price per Credit for Lease Duration	Physical Acres	1 Year	Total (all years)	# of Credits awarded for newly created Fx-A		Baseline at 40%	Total Credits Available / Generated	Fx-A / Physical Acre / Yr	Credits / Physical Acre / Yr	
								Core Area (10%)	General Habitat (5%)					
44 Ranch Perpetual Easement	Preservation - perpetual	Central Service Area	100	N/A	13033.01	9,543.06	954,306.00	N/A	N/A	381,722.40	381,722.40	0.732	0.293	closed
Garfield County Conservation Districe/Burgess Ranch	Preservation - term and Restoration	Central Service Area	30	3.90	10,136.63	71,420.23	134,248.98	4,964.02	980.68	N/A	140,193.68	0.441	0.461	closed; restoration being implemented
Hansen	Preservation - perpetual	Southwestern Service Area	100	N/A	13,887.33	7,253.54	725,354.00	N/A	N/A	290,141.60	290,141.60	0.522	0.209	closed
King Ranch 30-year Term Lease ¹	Preservation - term	Central Service Area	30	3.90	11,702.59	4,606.62	138,198.66	N/A	N/A	N/A	138,198.66	0.394	0.394	did not move forward
Marc Lewis Property	Preservation - perpetual	Central Service Area	100	N/A	3743.4	949.19	94,918.79	N/A	N/A	37,967.52	37,967.52	0.254	0.101	closing expected December 2020
Rath's Livestock	Preservation - perpetual	Central Service Area	100	N/A	11229.96	7,162.22	716,222.00	N/A	N/A	286,488.80	286,488.80	0.638	0.255	closed
Tom and Lorraine Watson Conservation Easement	Preservation - perpetual	North Central Service Area	100	N/A	2,657.27	723.36	72,335.60	N/A	N/A	28,934.24	28,934.24	0.272	0.109	closed
Sauerbier Ranch Property	Preservation - perpetual	Central Service Area	100	N/A	7,696.70	5,110.57	511,056.56	N/A	N/A	204,422.62	204,422.62	0.664	0.266	closing expected 2021
Schultz - Gran Prairie Ranches ¹	Preservation - term and Restoration	Central Service Area	25	3.25	6,367.62	8,409.74	210,243.61	12,920.87	42.15	N/A	223,543.90	1.321	1.404	did not move forward
Willow Basin Ranch LLC	Preservation - perpetual	Southwestern Service Area	100	N/A	3,988.57	2,275.16	227,516.70	N/A	N/A	91,006.68	91,006.68	0.570	0.228	closed

Credit results do not include non-deeded lands withn the perimeter of the project area (i.e. State Trust Lands other, public lands not included).

1. Application selected for funding, but ultimately the project did not close / was not implemented. No funds were transferred.

Credit Project - HQT Dataset | Date Updated: 09 October 2020; corrected total credits available 44 Ranch (cell L7)

11/27/2020

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PEER REVIEW COMMENTS BY APPLICATION

HABITAT QUANTIFICATION TOOL MAPS BY APPLICATION

2020 STEWARDSHIP ACCOUNT GRANT CYCLE

NOVEMBER 30, 2020 MSGOT MEETING

- 1. 54 Livestock**
- 2. Alexander Ranch**
- 3. Bequette Property**
- 4. Fauth Ranch**
- 5. Jackson Ranch**
- 6. Mussard-Barrett**
- 7. Peters Ranch**

PEER REVIEWER'S GENERAL COMMENTS

Reviewer #1

Compared to the previous submittals, these submittals as a whole seemed weak. Some good proposals, but also some with limited value to GSG. Two of the CE proposals had not yet applied for the matching funds. I had not reason to assume the funding would be secured. Consequently, these proposals were non-starters for me.

Reviewer #3

This round of proposals didn't have any projects that really jumped out as having high value for sage-grouse.

There is a preponderance of proposals from SW MT and I am concerned about service area issues since my perception is that most of the debits do not occur in SW MT.

Most of the proposals have significant acreage that do not appear to provide value for sage-grouse and some projects would have rated much higher without the inclusion of parcels with marginal or no sage-grouse value.

I would like to see the ability to pare down many of the proposals so that sage-grouse habitat funds are directed towards the portions of the projects that contain better sage-grouse habitat values.

There are a couple of proposals with higher proportions of cropland within the boundary than I would like and there are no plans to convert those croplands back to habitat within the proposal.

I really have a hard time paying sage-grouse habitat dollars for cropland that will continue be cropped and provide no value for sage-grouse. In particular the 54 Ranch proposal where nearly 10% of the project area is in cropland. This project is one that would benefit from removal of those non-habitat areas from the project because there are benefits from the other lands that I found hard to offset with the cropland in the scoring table and my overall score.

Reviewer #6

Thanks for the well-organized peer review materials. All projects have their strong points, and while I have focused on habitat quality, landscape context, and benefits/expenditure for the Fund, other aspects may elevate or reduce the value of my scores.

Another consideration for funding easements is the location within a given service area. Are there enough credits to meet existing and projected projects/debits in that service area? Are there service areas where MSGOT has reduced obligations through negotiations so that there is an actual or potential future deficit in that service area? Are credits in one service area needed to supply adjacent service areas that don't have credit projects yet?

Reviewer #7

Although all projects have some conservation value and potential to generate mitigation credits, the higher ranking projects have considerably more conservation value than lower ranking projects. Consider prioritizing funding of higher ranked projects.

54 RANCH LIVESTOCK PERPETUAL CONSERVATION EASEMENT

- 1. Will the proposed project maintain, enhance, restore, expand, or benefit greater sage grouse habitat and populations and be a viable project to provide mitigation credits for offsetting development? Why or why not and any comments/observations?**

This submission is divided into two separate and distinct parcels. The northern most parcel appears to be better GSG habitat, while the habitat in the southern parcels is more limited, including several acres of conifers, which does not constitute general GSG habitat. GSG habitat and populations will be maintained as a part of this proposal. The northern portion would provide mitigation credits, but the value of the southern portion is more limited.

This project will maintain and benefit greater sage grouse habitat and populations and be a viable project to provide mitigation credits for offsetting development because it is a perpetual conservation easement. This property is in sage grouse core habitat near sage grouse leks and provides intact native sagebrush grassland habitat for sage grouse. The FWP sage grouse research project based out of Roundup for the last 10 years has many observed locations of sage grouse using the property throughout the year.

No response

Yes

Yes

Project would maintain and expand protected habitat in Core and GH. While not many leks on property, 2nd highest number of leks within 12-mile buffer, providing value by protecting connecting habitat. Good addition of acreage to local conservation lands, but one of the lowest Credits/PA/YR scores. Lowest Cost/Ac.

Yes. The property provides substantial acreage with high habitat value. Perpetual protection will prevent agricultural conversion in a relatively high-risk portion of the state.

- 2. Are you aware of additional protected lands either not reflected in the grant application or the materials provided by the Sage Grouse Habitat Conservation Program, such as FWP long term leases? If so, please describe. Please respond YES/NO and provide any comments for each application:**

Yes - Several parcels of BLM and MT DNRC managed lands are within or adjacent to the land proposed for this CE. In addition, according to the narrative provided at least one existing CE is directly adjacent to the propped CE.

YES. As stated on page 5 of the application the northern portion of this property has a 30-year sagebrush lease on it that expires May 11, 2029. There is no option to renew.

No response

No

No

No

No

- 3. Is this proposal consistent with the purposes of the Stewardship Fund and should it receive funding? If yes, should it receive 100% of the requested amount? For each application, please indicate the following: Consistency: YES/NO Requested Amount: YES/NO**

Consistency – Yes. Requested Amount – No The southern portion of the lands do no warrant protection via a CE. Suggest funding be provided for the northern parcel, but not for southern parcel. However, if funding is “all-or-none”, suggest funding.

Consistency – yes; requested amount - yes

No response

Yes/No

Yes/Yes

YES. Requested Amount: YES, but not 100%. HQT results indicate that restoration component might create a high return on investment.

YES; Requested Amount: YES

4. Please address any particular strengths or weaknesses of the project based on your area of expertise and knowledge of the project area. Comments.

The intention of the ranch owners to make this property available to young/beginning ranchers should be viewed as a positive. Little potential for conversion of native habitats to crops. Although little potential for cultivation exists, approximately 9% of the CE area is in cropland. Generally, cropland provides minimal or no GSG habitat

This property is a good fit for a conservation easement to benefit sage grouse. The southern part of the property does have farm ground where it used to be sagebrush, so the habitat value is not as high in those fields. However, I think that speaks to the importance of putting a conservation easement on the property that prevents further habitat loss and maintains the intact native sagebrush grasslands that are on this property. The location of this property in relation to sage grouse leks and quality habitat is a huge strength of this property and the value it provides for sage grouse and other wildlife species.

No response

This property doesn't appear to have enough surrounding protected lands. It seems that sage-grouse may not use this property if they are precluded from using the surrounding lands due to lack of sufficient protection/habitat designation. The BLM and state trust land parcels are scattered, and not contiguous, suggesting less connectivity of habitat.

Good habitat, shovel ready, larger community benefit.

Strengths: Large property adjacent to good conservation lands; high number of leks within 12 mi.; low cost/acre. Weaknesses: One of the lowest Credits/PA/YR scores; majority of easement poor quality habitat; no restoration component.

See #1

5. Here, we ask you to consider the potential to generate mitigation credits. Refer to the summary table provided.

Does the project have the potential to generate mitigation credits based on the habitat values of the project for Greater Sage-grouse? YES/NO How would you compare the credit potential of this project vs. other applications? For each application, please indicate YES/NO and provide additional comments:

Yes – Good potential to generate mitigation credits. Not sure what level of credits would be available if southern parcel is excluded for consideration. When compared to other proposals in 2020, the number of mitigation credit available/acres enrolled is below the average of other submissions.

YES. This project provides good mitigation credit potential, cost-share funds are in-hand, and risk of conversion to cropland is high. There is potential for restoration of some of the lower quality habitat which would generate additional credits. MSGOT would maximize dollars committed per credit generated with this project compared with other applications.

No response

NO

Yes, 2nd

Yes. Due to its size the easement generates the 2nd highest number of Credits while having the 2nd lowest Credits/PA/YR score. Other applications produce higher credits from better habitat on smaller acreage. If the southern portion of the easement were converted to restoration efforts, the overall value of this application would increase.

YES

6. **Please rank all projects submitted for funding from the Stewardship Fund in order of highest priority to lowest priority. Assign the highest priority project a score of 7 and the lowest priority project for funding a score of 1.**

Project Name	Priority Ranking (7 is highest priority; 1 is lowest priority)	Should this Project be Funded during the 2020 Grant Cycle? (yes/no/defer until a future grant cycle given available funding in 2020)
54 Ranch Livestock	7	Yes, but only partially
54 Ranch Livestock	7	Yes
54 Ranch Livestock	5	Yes
54 Ranch Livestock	2	Defer
54 Ranch Livestock	6	Yes
54 Ranch Livestock	2	No/Defer
54 Ranch Livestock	6	

7. **Based on your responses in the table above, list any projects you believe the Montana Sage Grouse Oversight Team should not fund at this time and why.**

Fund – but only partially. If possible, the northern most parcel should be funded, but maybe not the southern portion. If you are faced with an all or none scenario, fund the entire proposal.

No response

No response

No response

No response

Potential to not fund. Other considerations to approve funding would be granting a portion of funding, move from preservation to restoration on southern half of easement, if location is strategic to other Program goals.

None. [Comments: Although all projects have some conservation value and potential to generate mitigation credits, the higher ranking projects have considerably more conservation value than lower ranking projects. Consider prioritizing funding of higher ranked projects.]

8. **Any Other Comments / input for the Montana Sage Grouse Oversight Team?**

No response

Great property and proposed project. Would really like to see this conservation easement happen for the sage grouse in this area.

No response

No response

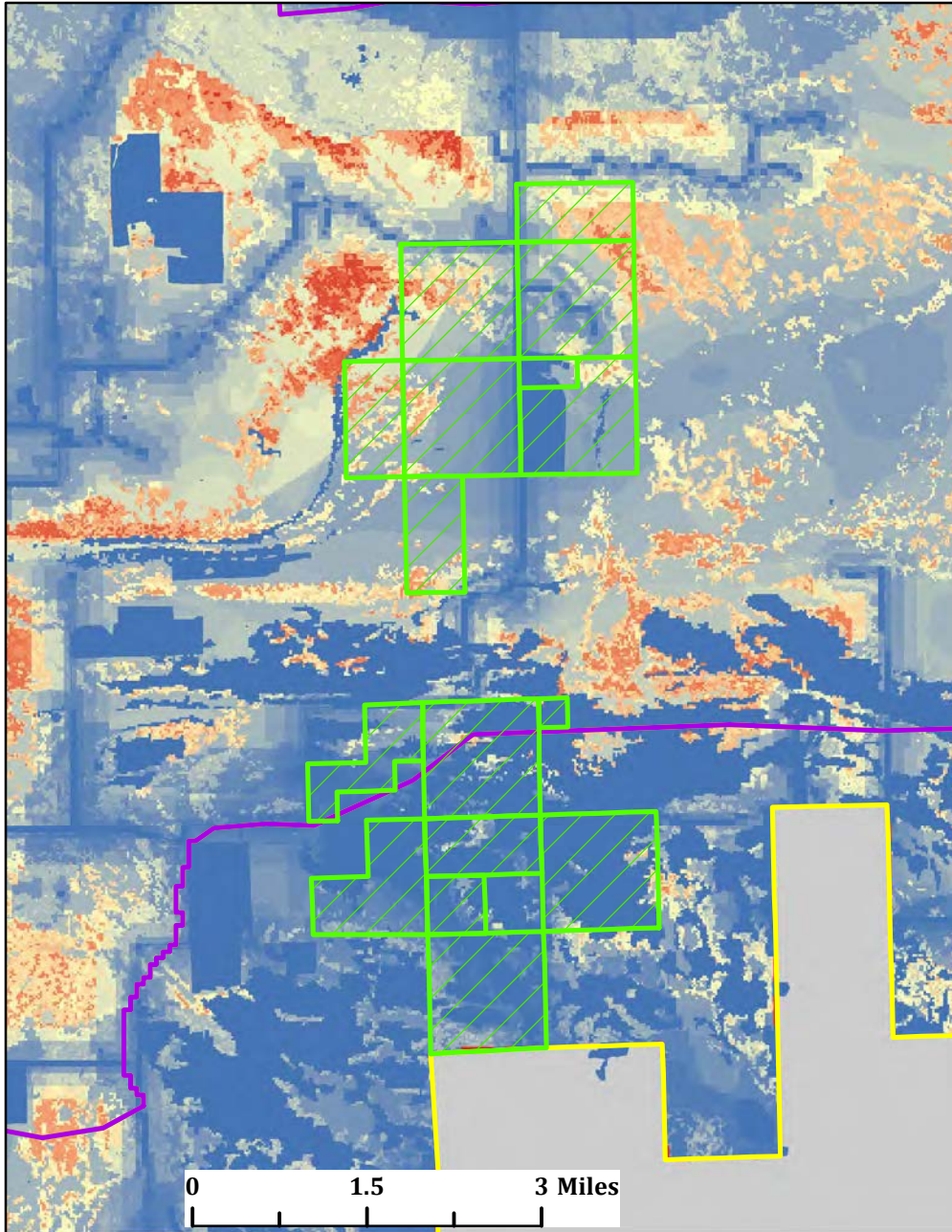
Good project has further reaching benefits than SG program.

No response

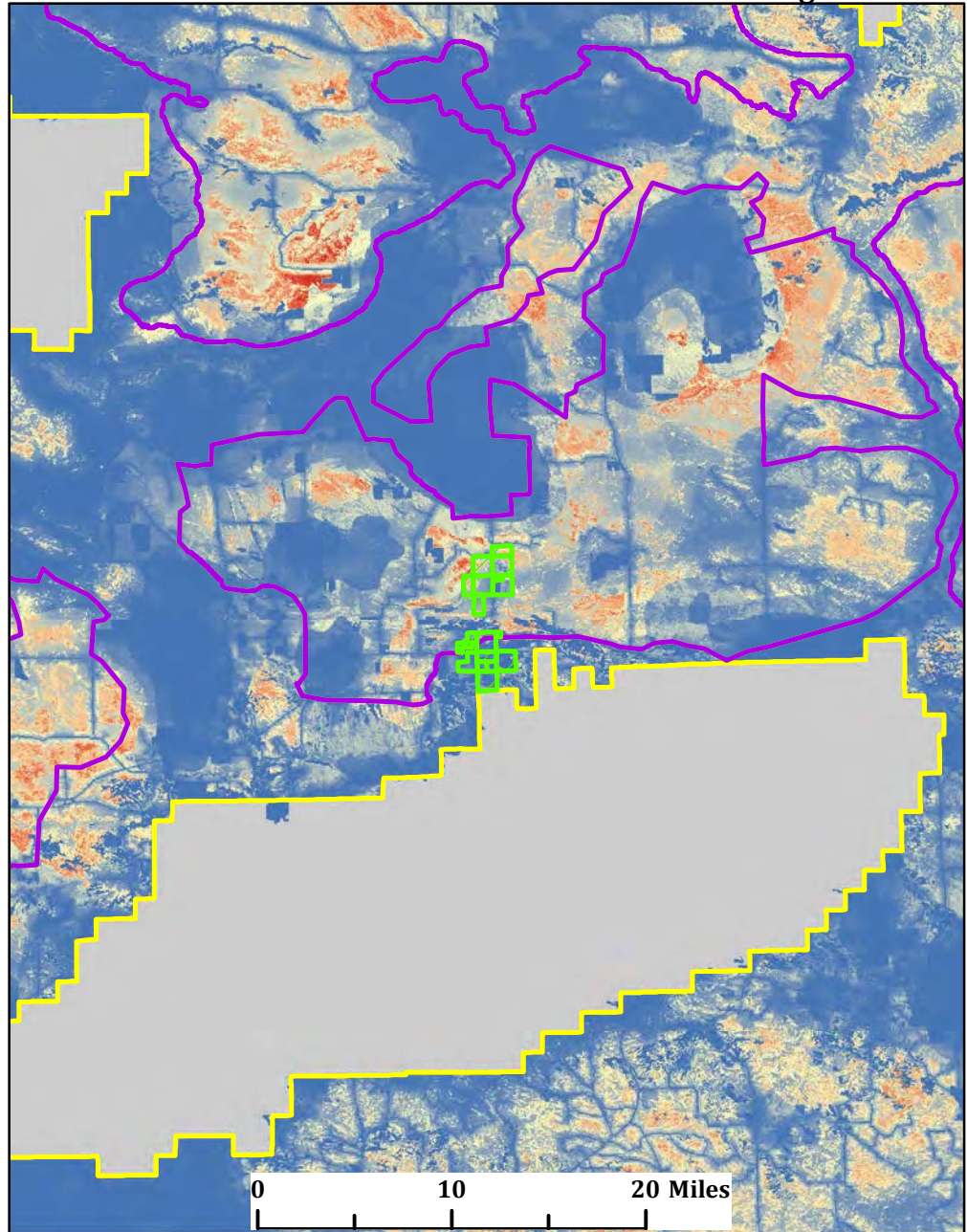
No response

HQT Results: 54 Ranch Perpetual Easement

Local Scale



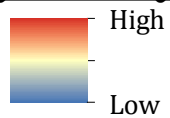
Regional Scale





Project HQT Metadata

HQT Date: 8 April 2020
Years Maintained: 100 Years

HQT Habitat Quality



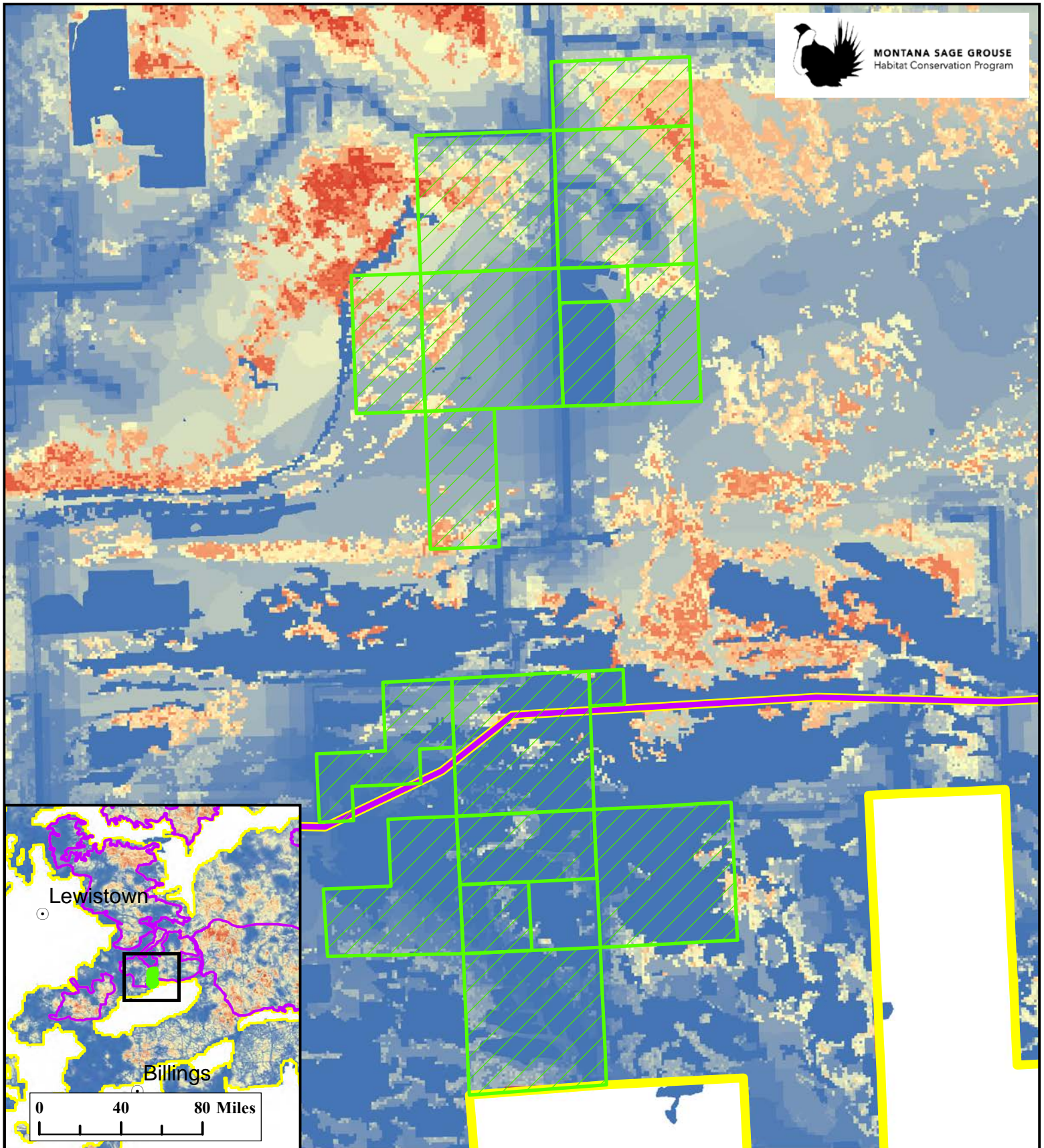
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

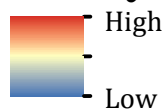
HQT Results: 54 Ranch Perpetual Easement



Project & HQT Information

Date of HQT Results: 8 April 2020
Number of Years: 100 Years

HQT Habitat Quality



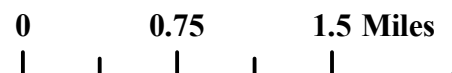
Project Direct Footprint

Core Area

General Habitat



Major Towns



ALEXANDER RANCH PERPETUAL CONSERVATION EASEMENT

- 1. Will the proposed project maintain, enhance, restore, expand, or benefit greater sage grouse habitat and populations and be a viable project to provide mitigation credits for offsetting development? Why or why not and any comments/observations?**

Essentially the entire parcel is classified as General GSG habitat, including approximately 80 acres of conifers. However, looking at the maps attached as a part of the submission, there appears to be high quality habitat within the parcel. This proposal will maintain GSG habitat and populations. The project as proposed would provide mitigation credits.

The project would maintain high quality sage brush habitat in an area important to sage grouse populations. The project area itself contains healthy big sagebrush and wet meadows which could support nesting and brood rearing of sage grouse. In addition, protection of this area would provide connectivity between two major watersheds important to sage grouse populations in the region. Lek observations and telemetry data demonstrate the area provides seasonal habitat for birds. The project area is relatively small. However, it can viably provide mitigation credits because it involves a perpetual conservation easement in good sage grouse habitat.

No response

Yes

Yes

Project would maintain and expand protected habitat in GH. Project is the smallest easement in terms of acreage, and the highest cost per acre. However, it does generate the highest Credits/PA/YR of all applications. Due to the location of the easement property it seems like residential development threats would be low, but MT is changing drastically, and pressures are likely to increase for development in the SW part of the state. Late brood-rearing habitat is abundant on the property, but overall is a limited habitat type and therefore important to protect where possible.

Yes, although the property has relatively low acreage, it does have moderate brood-rearing habitat value. Surrounded by public lands, which adds to the conservation benefit of this property. The property appears to have minimal threats to existing sagebrush habitats.

- 2. Are you aware of additional protected lands either not reflected in the grant application or the materials provided by the Sage Grouse Habitat Conservation Program, such as FWP long term leases? If so, please describe. Please respond YES/NO and provide any comments for each application:**

Yes - One of the strengths of this proposal, is the project area is essentially surrounded on three sides by public lands (USFS, BLM).

NO

No response

No

No

No

No

- 3. Is this proposal consistent with the purposes of the Stewardship Fund and should it receive funding? If yes, should it receive 100% of the requested amount? For each application, please indicate the following: Consistency: YES/NO Requested Amount: YES/NO**

Consistency – Yes. Requested amount – Probably no. There is minimal match for the proposal, with the majority of the funding coming from the program. For the amount of money being requested and the number of potential credits, this project is simply too expensive.

Consistency – yes; requested amount - ?? poor cost-share ratio but good project

No response

Yes/Yes

Yes/No

Consistency: YES. Requested Amount: YES

Consistency: YES. Requested Amount: YES

4. Please address any particular strengths or weaknesses of the project based on your area of expertise and knowledge of the project area. Comments.

Again, the property is largely surrounded by public land, making this a desirable property to be subdivided. Cultivation risk is low. Weakness is the large portion of the property is general habitat, which should be a lesser priority for funding.

The Alexander Ranch project is of relatively small size (679 acres). However, its juxtaposition to public lands, and another perpetual conservation easement currently in development, would ensure contiguous habitat linking the Medicine Lodge/Big Sheep areas.

No response

This property is critical link for the southwest MT migratory sage-grouse population, linking it to the Idaho core area to the south.

High cost, small parcel

This project is one of the smaller parcels for this cycle, however due to the quality of habitat it generates the highest Credits/PA/YR score. I view this project as an important component within the context of the Jackson, Mussard-Barrett, and Peters Ranch projects. These projects all maintain high elevation habitats with important brood-rearing and late brood-rearing habitats, and their locations are strategic relative to seasonal migration for SW MT sage grouse populations. As such, conservation of genetics likely plays an important role in the selection of this easement.

See #1

5. Here, we ask you to consider the potential to generate mitigation credits. Refer to the summary table provided.

Does the project have the potential to generate mitigation credits based on the habitat values of the project for Greater Sage-grouse? YES/NO How would you compare the credit potential of this project vs. other applications? For each application, please indicate YES/NO and provide additional comments:

Yes – There is potential to generate large numbers of credits, when compared to the number of acres protected. The credits/acres conserved is higher than the other proposals. Even so, the amount of money being requested is high for the number of credits achieved.

YES. This project provides mitigation credit potential based on the HQT scores. It provides good seasonal use habitat for sage-grouse. However, the total funds requested are proportionately relatively high compared with other applications. MSGOT would be paying proportionately more per credit for this project compared with other applications. MSGOT may consider approving this project contingent upon additional cost-share funds.

No response

YES

Yes, 5th

Yes. This project does not produce a high number of credits relatively speaking (5th highest) but it generates the highest Credits/PA/YR of all applications. It is also the highest cost/acre of all projects. The amount if Fund dollars invested would generate a good return for the Fund given considerations mentioned elsewhere in my evaluation.

YES

6. Please rank all projects submitted for funding from the Stewardship Fund in order of highest priority to lowest priority. Assign the highest priority project a score of 7 and the lowest priority project for funding a score of 1.

Project Name	Priority Ranking (7 is highest priority; 1 is lowest priority)	Should this Project be Funded during the 2020 Grant Cycle? (yes/no/defer until a future grant cycle given available funding in 2020)
Alexander Ranch	3	No, with all funding coming from the program – cost is too high.
Alexander Ranch	2	Yes, contingent on additional cost-share
Alexander Ranch	6	Yes
Alexander Ranch	6	Yes
Alexander Ranch	3	defer or partial
Alexander Ranch	4	Yes
Alexander Ranch	3	

7. Based on your responses in the table above, list any projects you believe the Montana Sage Grouse Oversight Team should not fund at this time and why.

Do not fund. There are just not enough potential mitigation credits to justify the expenditure, especially with essentially all the funding coming from the program.

No response

No response

No response

No response

Fund

None [Comments: Although all projects have some conservation value and potential to generate mitigation credits, the higher ranking projects have considerably more conservation value than lower ranking projects. Consider prioritizing funding of higher ranked projects.]

8. Any Other Comments / input for the Montana Sage Grouse Oversight Team?

No response

No response

No response

Look for additional funding to offset the ask (currently 89% of total cost).

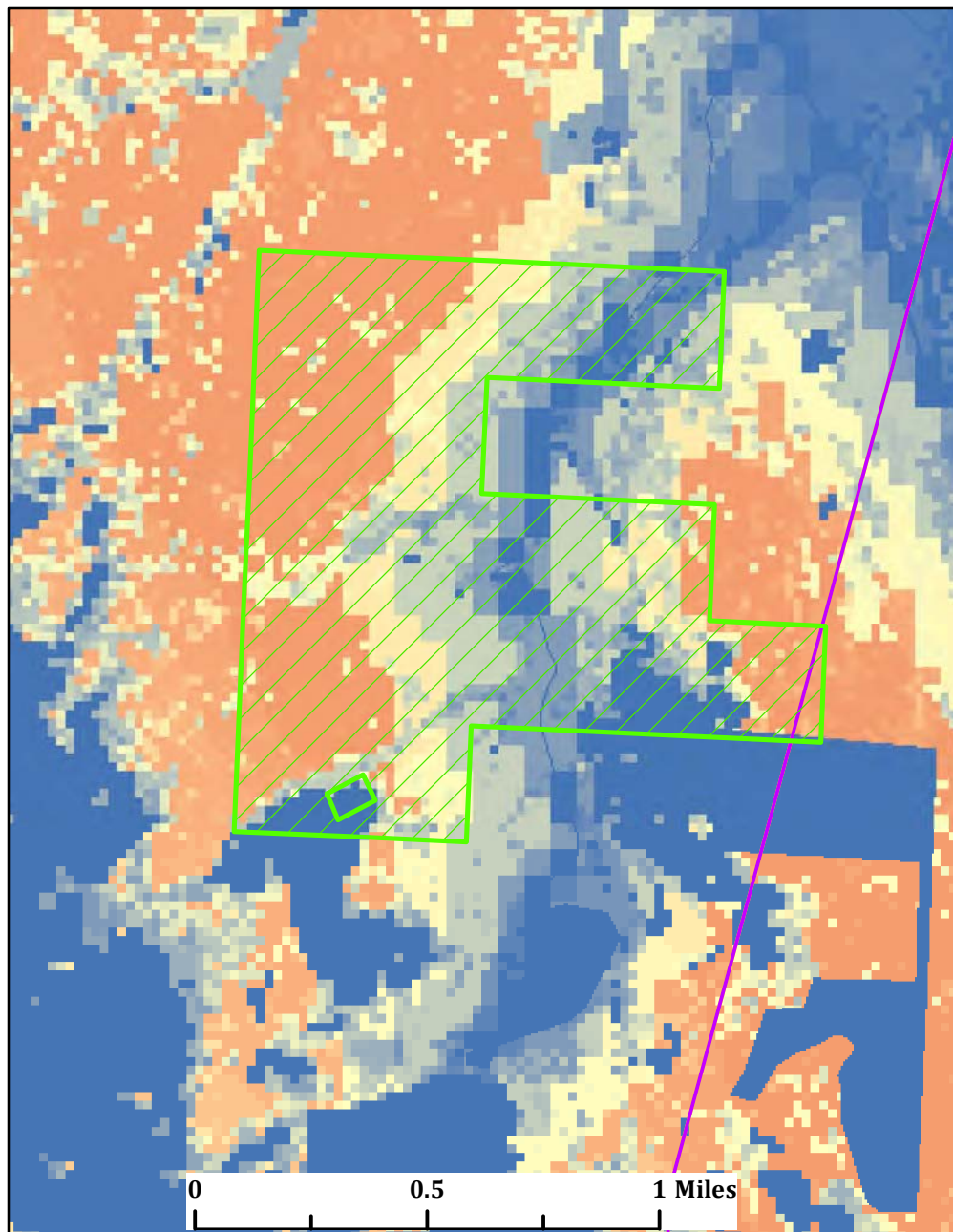
Very high cost for the acres and credits, almost all general, lots of public land in the project radius.

No response

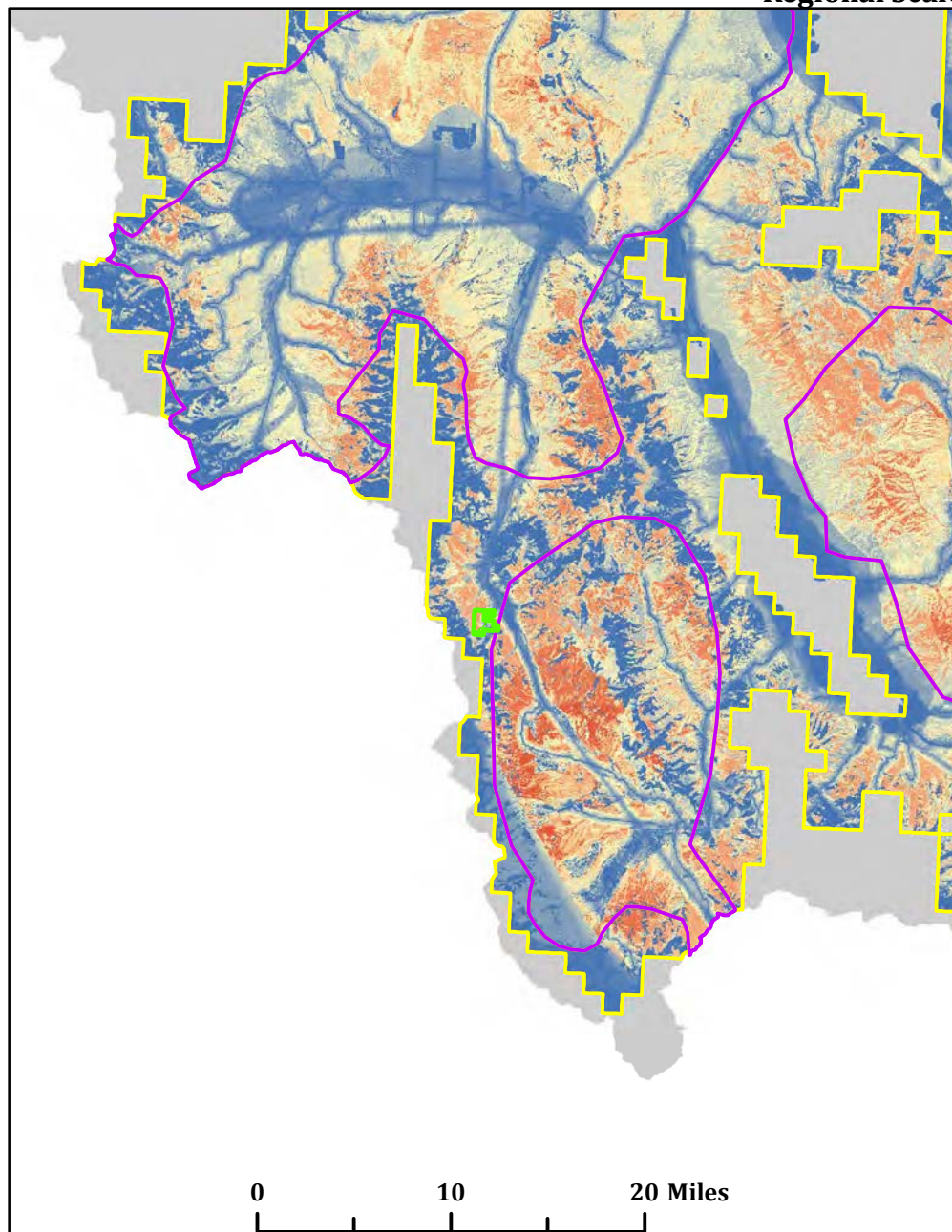
No response

HQT Results: TNC - Alexander Ranch

Local Scale



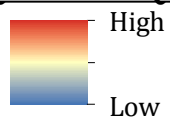
Regional Scale





Project HQT Metadata

HQT Date: 17 Sept. 2020
Years Maintained: 100 Years

HQT Habitat Quality



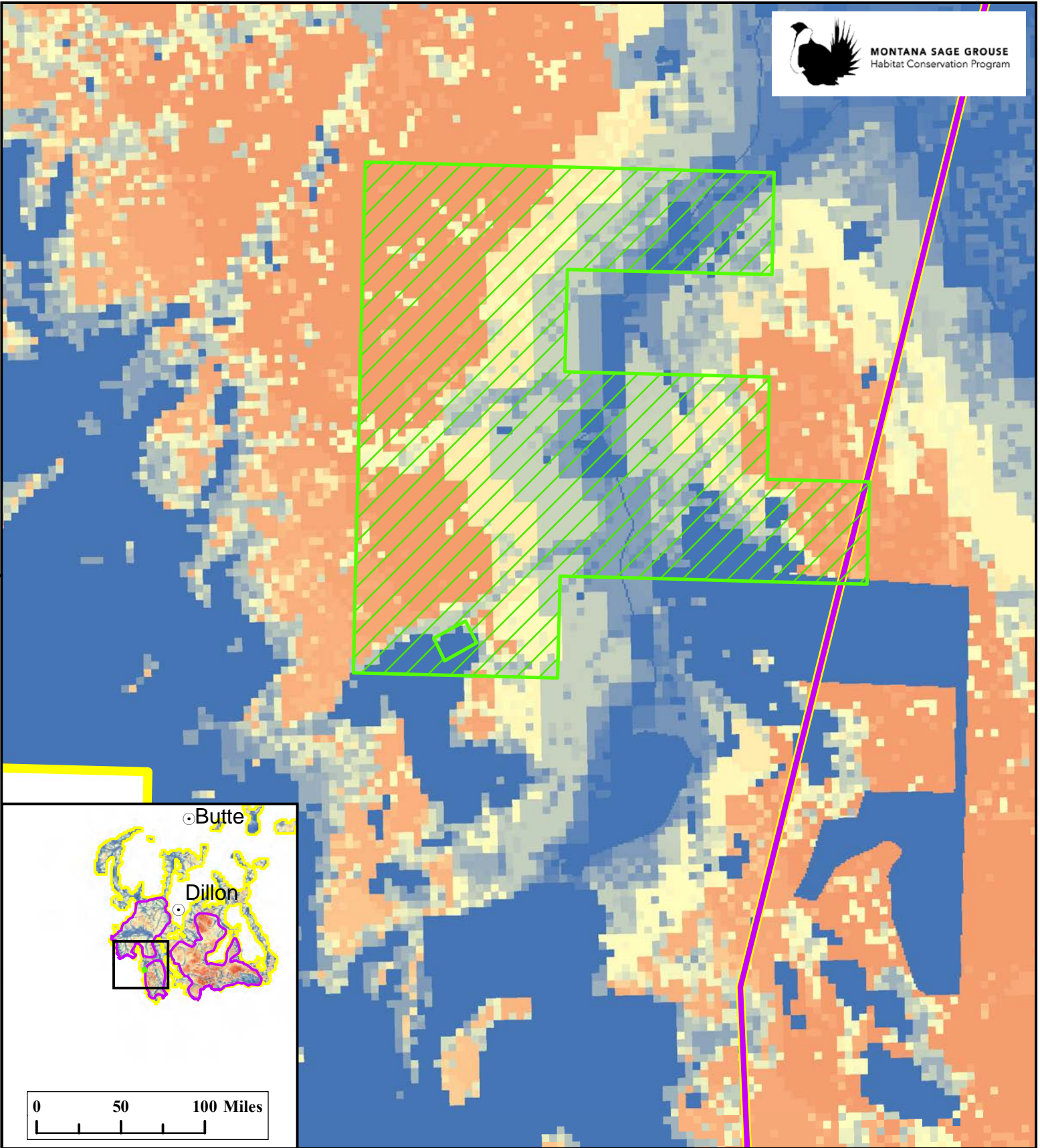
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

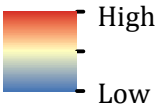
HQT Results: TNC - Alexander Ranch



Project & HQT Information

Date of HQT Results: 17 Sept. 2020
Number of Years: 100 Years

HQT Habitat Quality



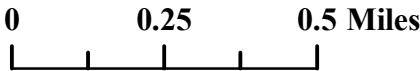
Project Direct Footprint

Core Area

General Habitat



Major Towns



BEQUETTE PERPETUAL CONSERVATION EASEMENT

- 1. Will the proposed project maintain, enhance, restore, expand, or benefit greater sage grouse habitat and populations and be a viable project to provide mitigation credits for offsetting development? Why or why not and any comments/observations?**

At best, this project will maintain GSG habitat and possibly the one lek on the property. Mitigation credits would be provided. For the number of acres proposed, the number of potential mitigation credits is minimal.

The proposed project is in marginal sage grouse habitat. There is one small active lek in the project area. The lek within the 8 mile buffer has not supported birds for several years. Neither have the two leks inside the 12 mile buffer. Expansion or restoration possibilities are limited. The project does not seem to be a good fit to provide mitigation credits.

No response

Yes

Yes- but very minimal

The best thing this application has going for it is that its in Carbon Co., which is experiencing chronic habitat loss due to very high residential and energy production growth. The Credits/PA/YR score is the lowest of all projects, and it's not clear if there is opportunity for restoration. There are very few leks in the area. While it is the 2nd lowest cost/acre, it's the lowest score for total credits produced.

Possibly. The property is entirely in general habitat and of relatively poor habitat quality, according to the HQT. In particular, there has been considerable agricultural conversion in the vicinity of the property. There are no conservation lands in the vicinity of the property.

- 2. Are you aware of additional protected lands either not reflected in the grant application or the materials provided by the Sage Grouse Habitat Conservation Program, such as FWP long term leases? If so, please describe. Please respond YES/NO and provide any comments for each application:**

Yes - According to the write-up there are adjacent lands which have protections applied. In addition, a small amount of state and BLM lands are adjacent to or in close proximity to the property.

The Grewell property to the north of the project area has a 30 year conservation lease. I'm not sure if this is included on the map.

No response

No

NO

NO

NO

- 3. Is this proposal consistent with the purposes of the Stewardship Fund and should it receive funding? If yes, should it receive 100% of the requested amount? For each application, please indicate the following: Consistency: YES/NO Requested Amount: YES/NO**

Consistency – Yes, but quality of the habitat is marginal at best. Requested Amount – No. Even though this is one of the lower cost proposal and funding from NRCS would fund approximately 75%, the property is just not great quality. The presence of one lek, should not be justification for this level of expenditure.

Consistency – no (does not maximize credit generation); requested amount – no

No response

Yes/No

Yes-barely /not sure

Consistency: No. Requested Amount: No.

Consistency: YES; Requested Amount: YES

4. Please address any particular strengths or weaknesses of the project based on your area of expertise and knowledge of the project area. Comments.

There is one lek on the property and NRCS is paying for approximately 75% of the total cost. Over 1/3 of the property is currently being cultivated and none of the habitat is considered to be high quality.

The property has limited value for the long term persistence of sage grouse.

No response

This property doesn't appear to have enough surrounding protected lands. It seems that sage-grouse may not use this property if they are precluded from using the surrounding lands due to lack of sufficient protection/habitat designation. In addition, the property only contains general habitat, with no core acres.

All general, has high amount of cropping-37.9% and doesn't address any restoration.

Strengths/Weaknesses: This is the lowest quality application in terms of return on investment of Fund dollars. As mentioned above, my opinion here may be mitigated by location in Carbon Co., relationship to attracting future easements in the area, strategic location to large-scale development or energy projects in the area.

See #1

5. Here, we ask you to consider the potential to generate mitigation credits. Refer to the summary table provided.

Does the project have the potential to generate mitigation credits based on the habitat values of the project for Greater Sage-grouse? YES/NO How would you compare the credit potential of this project vs. other applications? For each application, please indicate YES/NO and provide additional comments:

Yes – limited opportunities are presented to generate mitigation credits. This property ranked by far the lowest of the seven submittals in terms of credits/acre.

LIMITED. This project provides very limited credit potential and little value to sage-grouse compared with other projects. It does not appear that this project meets the Stewardship Act intent of maximizing credit generation. MSGOT may consider declining this proposal and reserving the funding for future projects with more mitigation credit potential.

No response

NO, but it does have an active lek so that is worth considering.

Yes, 7th

No. Very low potential to generate mitigation credits.

YES. Potential to generate mitigation credits is much lower relative to other applications.

6. Please rank all projects submitted for funding from the Stewardship Fund in order of highest priority to lowest priority. Assign the highest priority project a score of 7 and the lowest priority project for funding a score of 1.

Project Name	Priority Ranking (7 is highest priority; 1 is lowest priority)	Should this Project be Funded during the 2020 Grant Cycle? (yes/no/defer until a future grant cycle given available funding in 2020)
Bequette Property	4	No – There are not enough credits earned and suitable habitat protected to justify the cost.
Bequette Property	1	No
Bequette Property	1	Yes, if funds available
Bequette Property	3	Defer
Bequette Property	1	defer or partial- on the fence with this one as to fund fully
Bequette Property	1	No
Bequette Property	1	Consider deferring

7. Based on your responses in the table above, list any projects you believe the Montana Sage Grouse Oversight Team should not fund at this time and why.

Do not fund. Not enough potential mitigation credits and GSG habitat protected appears to be minimal.

This project would be a low priority. Funding might be better directed to other or future projects that generate additional mitigation credit.

There is a fairly high proportion of sage-grouse habitat conservation dollars being used for this project, but the credits generated are the lowest of all the projects. However, this is a high risk area with limited conservation opportunities generated to date and a service area that is generally lacking credit generation. Suggest still funding if funds are available, but with the knowledge that this project is being used as a start for potential future projects that may provide greater value.

No response

No response

Do not fund unless other strategic considerations affect this application. Very low scores in Credits/PA/YR, number and proximity of known leks, very low-quality habitat based on HQT score.

None. [Comments: Although all projects have some conservation value and potential to generate mitigation credits, the higher ranking projects have considerably more conservation value than lower ranking projects. Consider prioritizing funding of higher ranked projects.]

8. Any other comments / input for the Montana Sage Grouse Oversight Team?

No response

No response

No response

No response

Low cost, low credits and habitat. Might be a good project due to location, crop ground should be addressed, since its 37 % and low habitat.

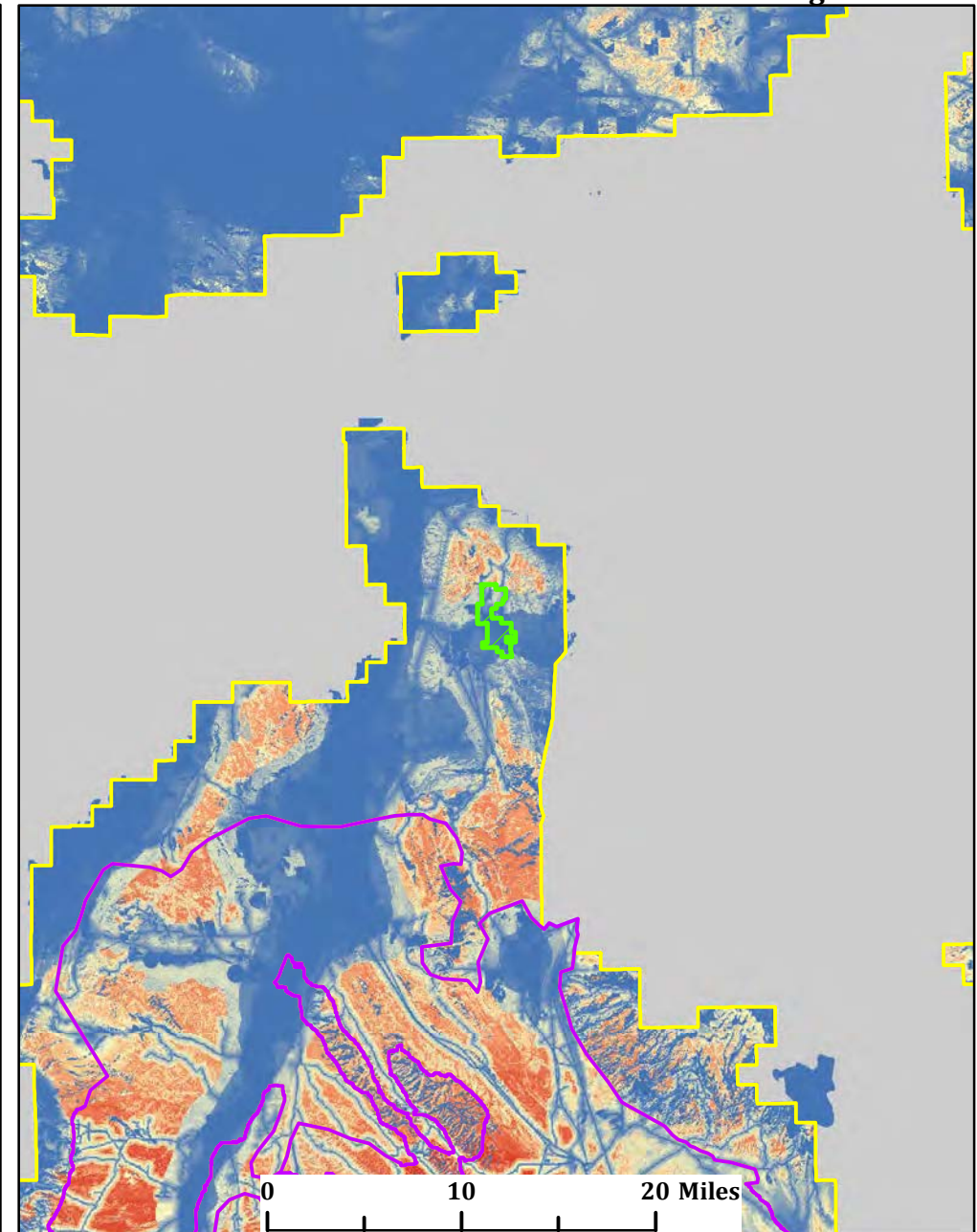
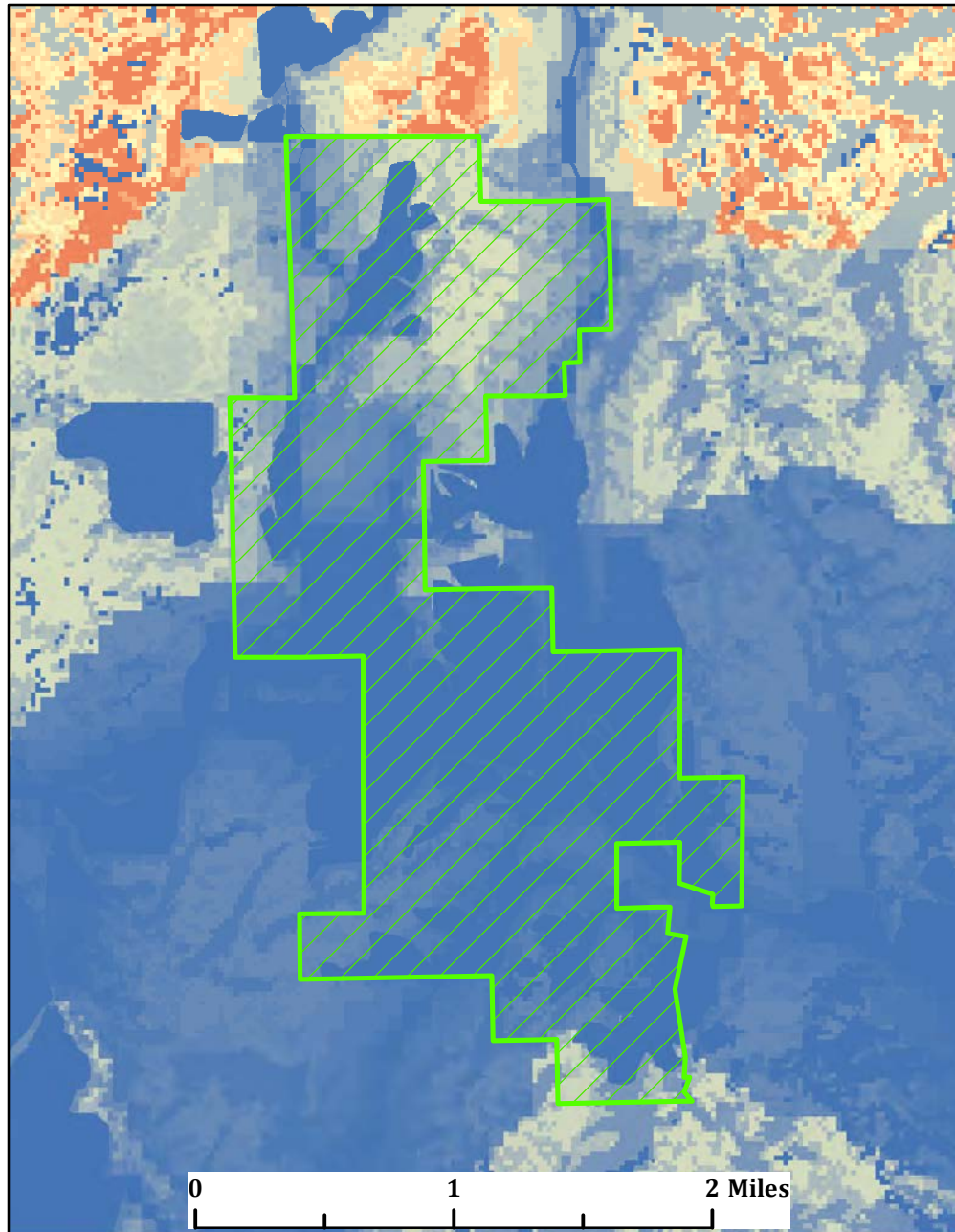
No response

No response

HQT Results: Bequette Ranch - MLR

Local Scale

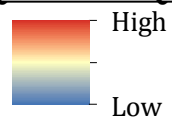
Regional Scale





Project HQT Metadata

HQT Date: 30 Sept. 2020
Years Maintained: 100 Years

HQT Habitat Quality



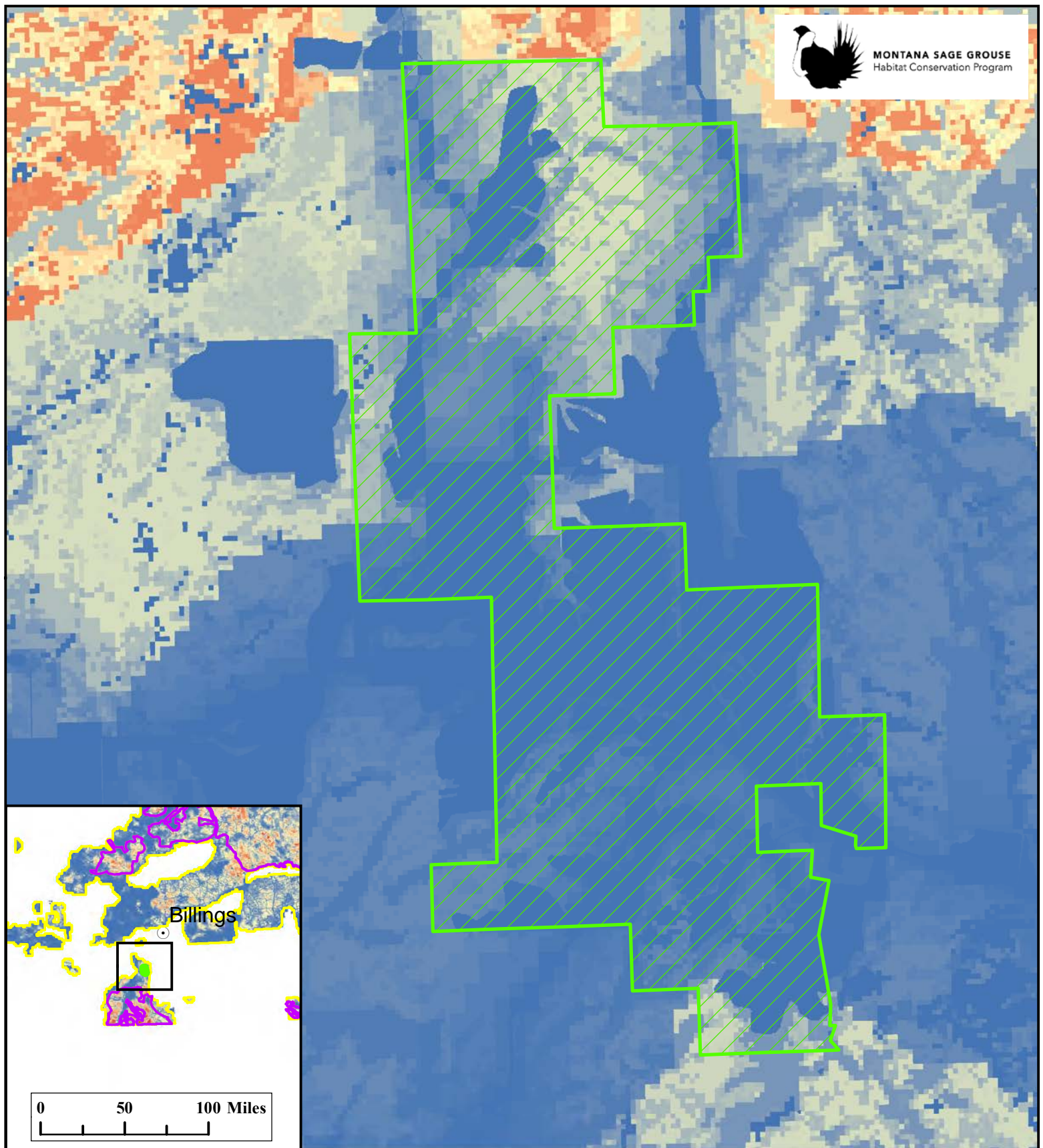
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

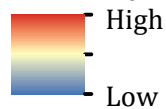
HQT Results: Bequette Ranch - MLR



Project & HQT Information

Date of HQT Results: 30 Sept. 2020
Number of Years: 100 Years

HQT Habitat Quality



Project Direct Footprint



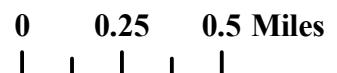
Core Area



General Habitat



Major Towns



FAUTH PERPETUAL CONSERVATION EASEMENT

- 1. Will the proposed project maintain, enhance, restore, expand, or benefit greater sage grouse habitat and populations and be a viable project to provide mitigation credits for offsetting development? Why or why not and any comments/observations?**

All of the proposed acres are within GSG Core habitat. However, according to the HQT map, a part of the property appears to be lower quality. The property should have the capacity to maintain GSG habitat and populations. Mitigation credits would be provided.

This project will maintain and benefit greater sage grouse habitat and populations and be a viable project to provide mitigation credits for offsetting development because it is a perpetual conservation easement. This property is in sage grouse core habitat near sage grouse leks and provides intact native sagebrush grassland habitat for sage grouse. The FWP sage grouse research project based out of Roundup for the last 10 years has many observed locations of sage grouse using the property throughout the year.

No response

Yes

Yes

Project would maintain and expand protected habitat in Core. This easement would supply the highest number of credits of all projects due to its sheer size. However, it scores in the lower half for Credits/PA/YR and for cost per acre. This is due to the high HQT scores in the northern half of the project, and poor HQT scores in the southern half. If restoration efforts could improve those scores, then this easement would provide more value for Fund investment dollars.

The property has relatively high quality habitat and provides critical seasonal habitats and high conservation effectiveness for sage-grouse populations in the area. Protection of the property will prevent agricultural conversion in a relatively high-risk portion of the state.

- 2. Are you aware of additional protected lands either not reflected in the grant application or the materials provided by the Sage Grouse Habitat Conservation Program, such as FWP long term leases? If so, please describe. Please respond YES/NO and provide any comments for each application:**

Yes, there is at least one existing CE and several parcels of state and BLM managed properties in close proximity to the proposed CE.

NO

No response

No

No

No

No

- 3. Is this proposal consistent with the purposes of the Stewardship Fund and should it receive funding? If yes, should it receive 100% of the requested amount? For each application, please indicate the following: Consistency: YES/NO Requested Amount: YES/NO**

Consistency – Yes. Requested amount – No. the cost is largely the responsibility of the Sage Grouse Habitat Conservation Program and is excessive. In addition, it doesn't appear the matching grant has yet to be applied for. The proposal needs to attempt to find better matches and these matches secured.

Consistency – yes; request amount – ?? poor cost-share ratio but very strong project

No response

Yes/No

Yes / Yes

YES. Requested Amount: YES, but not 100%. HQT results indicate that restoration component might create a high return on investment.

Consistency: YES; Requested Amount: YES

4. Please address any particular strengths or weaknesses of the project based on your area of expertise and knowledge of the project area. Comments.

The entire property has been determined to be Core. Little of the property has been cultivated. On the negative side, approximately one-half of the acres are identified as being low quality GSG habitat. The cost of the mitigation credits is just too high.

This property is a good fit for a conservation easement to benefit sage grouse. It is located near other conservation easement and property protected for wildlife habitat. The habitat is largely intact sagebrush grasslands with some hayfields that are also used by the sage grouse that were marked during the FWP sage grouse research project in this area. The location of this property in relation to sage grouse leks and quality habitat is a huge strength of this property and the value it provides for sage grouse and other wildlife species.

No response

This property doesn't appear to have enough surrounding protected lands. It seems that sage-grouse may not use this property if they are precluded from using the surrounding lands

Highest amount of credits, medium price per outcome, large easement in core

Strengths: It is strategically located within Core area, and its proximity to the Raths easement increases its value through leveraging previous Fund projects. There are a relatively high number of leks within the 12-mile buffer. Conserved lands nearby are relatively low so this easement would increase conservation significantly in the area. Weaknesses: Relatively high percentage of poor HQT habitat and therefore lower score for Credits/PA/YR.

See #1

5. Here, we ask you to consider the potential to generate mitigation credits. Refer to the summary table provided.

Does the project have the potential to generate mitigation credits based on the habitat values of the project for Greater Sage-grouse? YES/NO How would you compare the credit potential of this project vs. other applications? For each application, please indicate YES/NO and provide additional comments:

Yes – there are over 90,00 potential credits available with this proposal. In terms of credits/acre, it ranks approximately in the middle of the seven proposals

YES. This project provides potential to generate considerably more mitigation credits than other applications. There is some risk of conversion to cropland. However, the total funds and the amount of project funds requested are considerably higher than other projects. MSGOT would be paying proportionately more per credit for this project compared with other applications. MSGOT may consider approving this project contingent upon additional cost-share funding being secured.

No response

YES

Yes, 1st

Yes. Very high potential to generate credits based on size of easement and high-quality habitat in northern half of property. However, due to the significant acreage in poorer quality habitat, it scores in the lower half of all projects for Credits/PA/YR.

YES

6. Please rank all projects submitted for funding from the Stewardship Fund in order of highest priority to lowest priority. Assign the highest priority project a score of 7 and the lowest priority project for funding a score of 1.

Project Name	Priority Ranking (7 is highest priority; 1 is lowest priority)	Should this Project be Funded during the 2020 Grant Cycle? (yes/no/defer until a future grant cycle given available funding in 2020)
Fauth Ranch	2	No – Almost all of the cost is being provided by the SGHCP. In addition, the matching funds do not appear to have been yet secured.
Fauth Ranch	4	Yes, contingent upon a better cost-share ratio
Fauth Ranch	4	Yes
Fauth Ranch	1	Defer
Fauth Ranch	7	yes
Fauth Ranch	3	Yes/Defer portion
Fauth Ranch	4	

7. Based on your responses in the table above, list any projects you believe the Montana Sage Grouse Oversight Team should not fund at this time and why.

Do not fund. Almost all funding (\$1.8 million) comes from the program. In addition, the minimal amount of matching funds are yet to be applied for.

No response

No response

No response

No response no comment

Fund, however, consider a lower portion due to a large part of the easement being very poor habitat.

None. [Comments: Although all projects have some conservation value and potential to generate mitigation credits, the higher ranking projects have considerably more conservation value than lower ranking projects. Consider prioritizing funding of higher ranked projects.]

8. Any other comments / input for the Montana Sage Grouse Oversight Team?

No response

Great property and proposed project. Would really like to see this conservation easement happen for the sage grouse in this area.

No response

Look for additional funding to offset the ask (currently 85% of total cost)

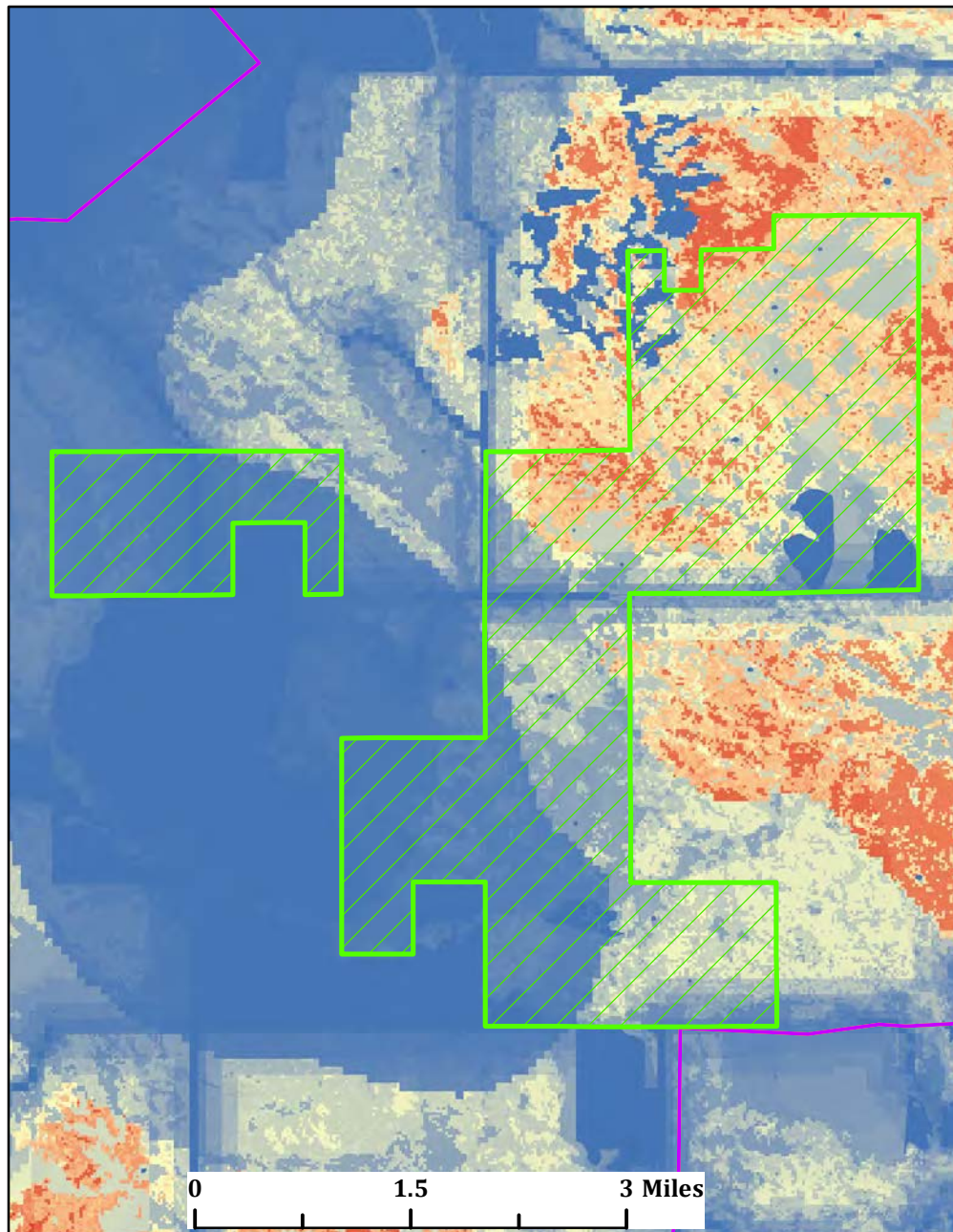
Moderate cost for high amount of credits, good habitat largely in core.

No response

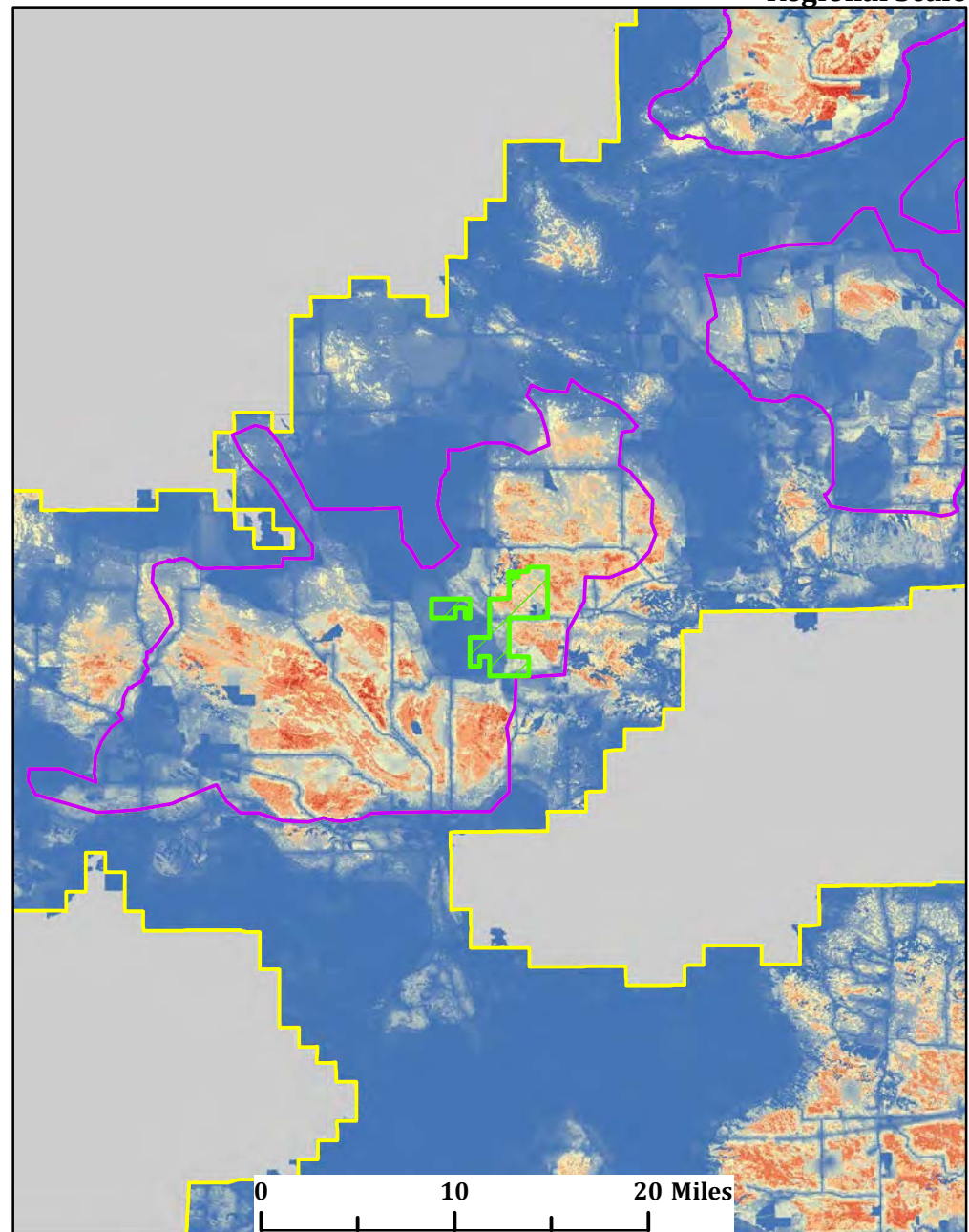
No response

HQT Results: Fauth Property - MLR

Local Scale



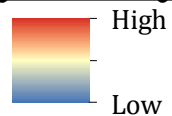
Regional Scale





Project HQT Metadata

HQT Date: 05 Oct. 2020
Years Maintained: 100 Years

HQT Habitat Quality



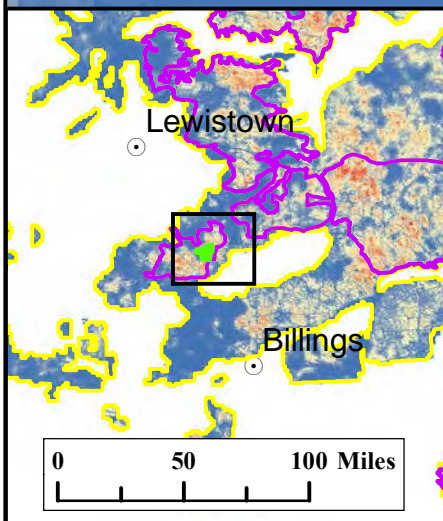
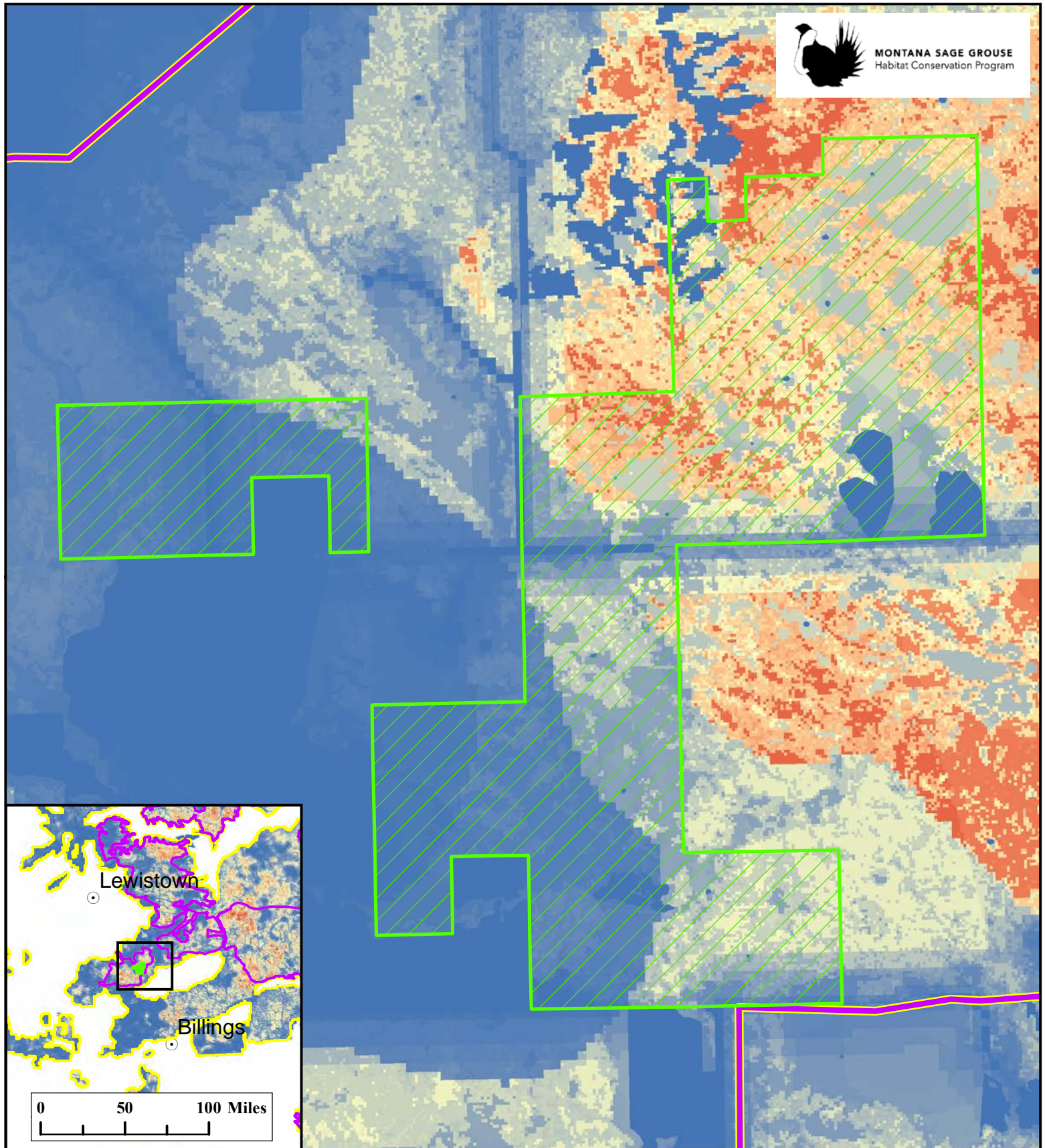
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

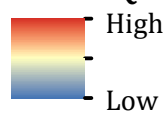
HQT Results: Fauth Property - MLR



Project & HQT Information

Date of HQT Results: 05 Oct. 2020
Number of Years: 100 Years

HQT Habitat Quality



Project Direct Footprint

Core Area

General Habitat

Major Towns

0 0.5 1 Miles



JACKSON RANCH PERPETUAL CONSERVATION EASEMENT

- 1. Will the proposed project maintain, enhance, restore, expand, or benefit greater sage grouse habitat and populations and be a viable project to provide mitigation credits for offsetting development? Why or why not and any comments/observations?**

According to the submission, 450 of the acres within the proposal are in general habitat. It appears the lands adjacent to this property are non-habitat or at best, marginal habitat. The potential to maintain GSG habitat and populations would be minimal. Additionally, the potential for providing mitigation credits, appears minimal at best.

This project will maintain greater sage grouse habitat and populations and therefore benefit them as well. This project is located within the upper Big Hole Valley, which is mapped as general sage grouse habitat. Since 2018, FWP along with FWS and several other partners have been collaring sage grouse hens to learn about their movements, use of the Big Hole Valley and connectivity with other sage grouse populations in SW MT and ID. Results to date show that the Jackson property contains the southernmost known lek in the valley and that several collared hens use the property to nest. Although the Big Hole is not mapped as core habitat, it supports a viable sage grouse population and demonstrates through movement of instrumented birds connectivity with populations in Horse Prairie, lending support to expand mapped core habitat to include the Big Hole Valley. Additionally, this project will perpetually conserve sage grouse habitat in a beautiful valley that is at high risk from subdivision and development, especially with the increased interest in MT real estate due to COVID 19.

No response

Yes

Yes

Project would maintain and expand protected habitat in GH. It is not clear from the documentation if good sage grouse habitat exists outside the mapped boundary; there may be additional value to sage grouse from protection of that habitat. The narrative states that almost the entire proposed easement is used by sage grouse, so the added value seems high. Due to the location of the easement property it seems like residential development threats would be low, but MT is changing drastically, and pressures are likely to increase for development in the SW part of the state. Late brood-rearing habitat is limited and therefore important to protect where possible.

Possibly. Low acreage proposed for perpetual protection in general habitat. However, GPS observations and active leks suggest this area is relatively important to local sage-grouse populations.

- 2. Are you aware of additional protected lands either not reflected in the grant application or the materials provided by the Sage Grouse Habitat Conservation Program, such as FWP long term leases? If so, please describe. Please respond YES/NO and provide any comments for each application:**

Yes - A small amount of state land, as well as USFS and another CE are adjacent to this parcel.

Jim Berkey, the applicant, has done a thorough job describing protected lands in the project area. I'm not aware of any other properties.

No response

No

No

No

No

3. **Is this proposal consistent with the purposes of the Stewardship Fund and should it receive funding? If yes, should it receive 100% of the requested amount? For each application, please indicate the following: Consistency: YES/NO Requested Amount: YES/NO**

Consistency – No. Requested Amount – No. There is not suitable GSG habitat to be protected and the cost to the Sage Grouse Habitat Conservation Program is excessive.

Consistency – yes; requested amount – yes

No response

Yes/Yes

Yes / No

Consistency: YES. Requested Amount: YES

YES; Requested Amount: YES

4. **Please address any particular strengths or weaknesses of the project based on your area of expertise and knowledge of the project area. Comments.**

The positive is there to date has been essentially no anthropogenic alteration of the of the habitat. In addition, this property borders an existing CE which would help to conserve GSG habitat. Negatives include is the property is not quality habitat and connectivity to other GSG habitats is limited.

This proposal should be looked at as yet another step toward a collective effort to protect the natural integrity and working ranches of the upper Big Hole Valley. TNC has demonstrated clear vision and grassroots ethics in working with multi-generation ranch families in the valley to help them achieve their goals of passing their land onto the next and future generations. Additionally, TNC/Jim Berkey has demonstrated strong willingness to partner with other agencies and organizations to increase their capacity to achieve even more conservation actions in the valley.

No response

This property builds upon the already protected habitat for the southwest MT migratory sage-grouse population, linking it to the Idaho core area to the south.

All general; high cost

This project is one of the smaller parcels for this cycle and therefore one of the lower total credits generated. Few leks are on the property or documented nearby. However, I view this project as an important component within the context of the Alexander, Mussard-Barrett, and Peters Ranch projects. These projects all maintain high elevation habitats with important brood-rearing and late brood-rearing habitats, and their locations are strategic relative to seasonal migration for SW MT sage grouse populations. As such, conservation of genetics likely plays an important role in the selection of this easement.

See #1

5. **Here, we ask you to consider the potential to generate mitigation credits. Refer to the summary table provided.**

Does the project have the potential to generate mitigation credits based on the habitat values of the project for Greater Sage-grouse? YES/NO How would you compare the credit potential of this project vs. other applications? For each application, please indicate YES/NO and provide additional comments:

Yes – there is some potential for adding mitigation credits, but this potential seems minimal. When compared to other proposals, it is below the other submittals.

YES. This project provides mitigation credit potential and expands other protected lands in a desirable subdivision development area. There is good cost-share on this project if proponents are successfully awarded a NRCS ACEP-ALE agreement. MSGOT may consider approving this project contingent upon receiving the NRCS cost-share award.

No response

YES

Yes, 6th

Yes. This project is 3rd highest in Credits/PA/YR but is also the 2nd highest Cost/Acre projects. That said, the Stewardship Fund contribution request is a small percentage of the project. The project narrative indicates that high quality sage grouse habitat exists outside the General Habitat boundary; will credits be generated from this section of the easement? If not, credit contribution is lower, but conservation contribution will be higher overall.

YES. Potential to generate mitigation credits is much lower relative to other applications.

6. Please rank all projects submitted for funding from the Stewardship Fund in order of highest priority to lowest priority. Assign the highest priority project a score of 7 and the lowest priority project for funding a score of 1.

Project Name	Priority Ranking (7 is highest priority; 1 is lowest priority)	Should this Project be Funded during the 2020 Grant Cycle? (yes/no/defer until a future grant cycle given available funding in 2020)
Jackson Ranch	1	No – Just not a lot of benefits, especially for the cost. In addition, the funding from NRCS has yet to be applied for.
Jackson Ranch	3	Yes, contingent upon a successful NRCS ACEP-ALE proposal
Jackson Ranch	2	Yes
Jackson Ranch	4	Yes
Jackson Ranch	2	defer or partial-on fence with this one as to fund fully
Jackson Ranch	4	Yes
Jackson Ranch	2	Consider deferring

7. Based on your responses in the table above, list any projects you believe the Montana Sage Grouse Oversight Team should not fund at this time and why.

Do not fund. Not many potential mitigation credits and the NRCS funding has yet to be applied for.

No response

No response

No response

No response

Fund

None. [Comments: Although all projects have some conservation value and potential to generate mitigation credits, the higher ranking projects have considerably more conservation value than lower ranking projects. Consider prioritizing funding of higher ranked projects.]

8. Any other comments / input for the Montana Sage Grouse Oversight Team?

No response

No response

No response

No response

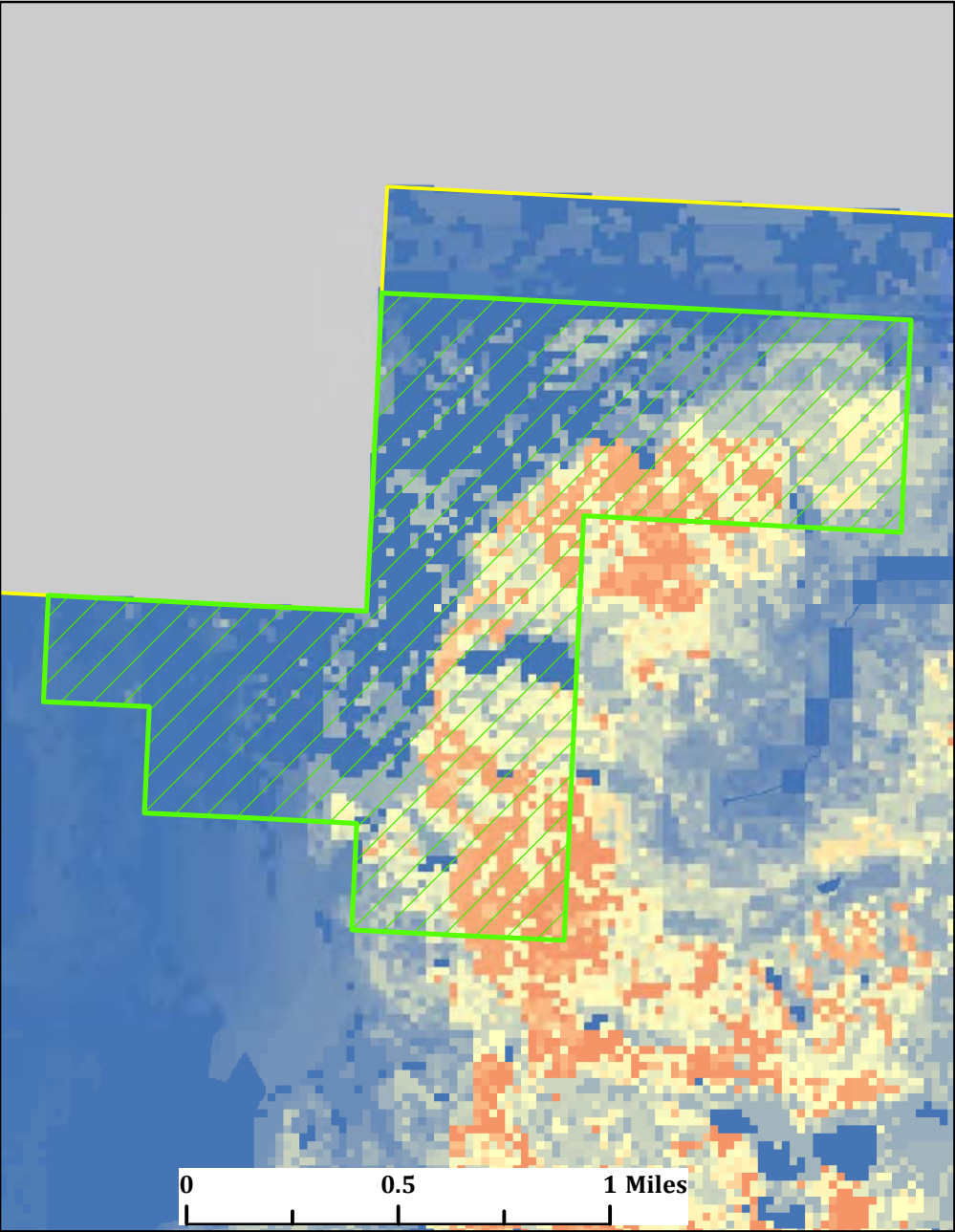
High cost for net benefit, all general, net gain to conservation benefit for public lands.

No response

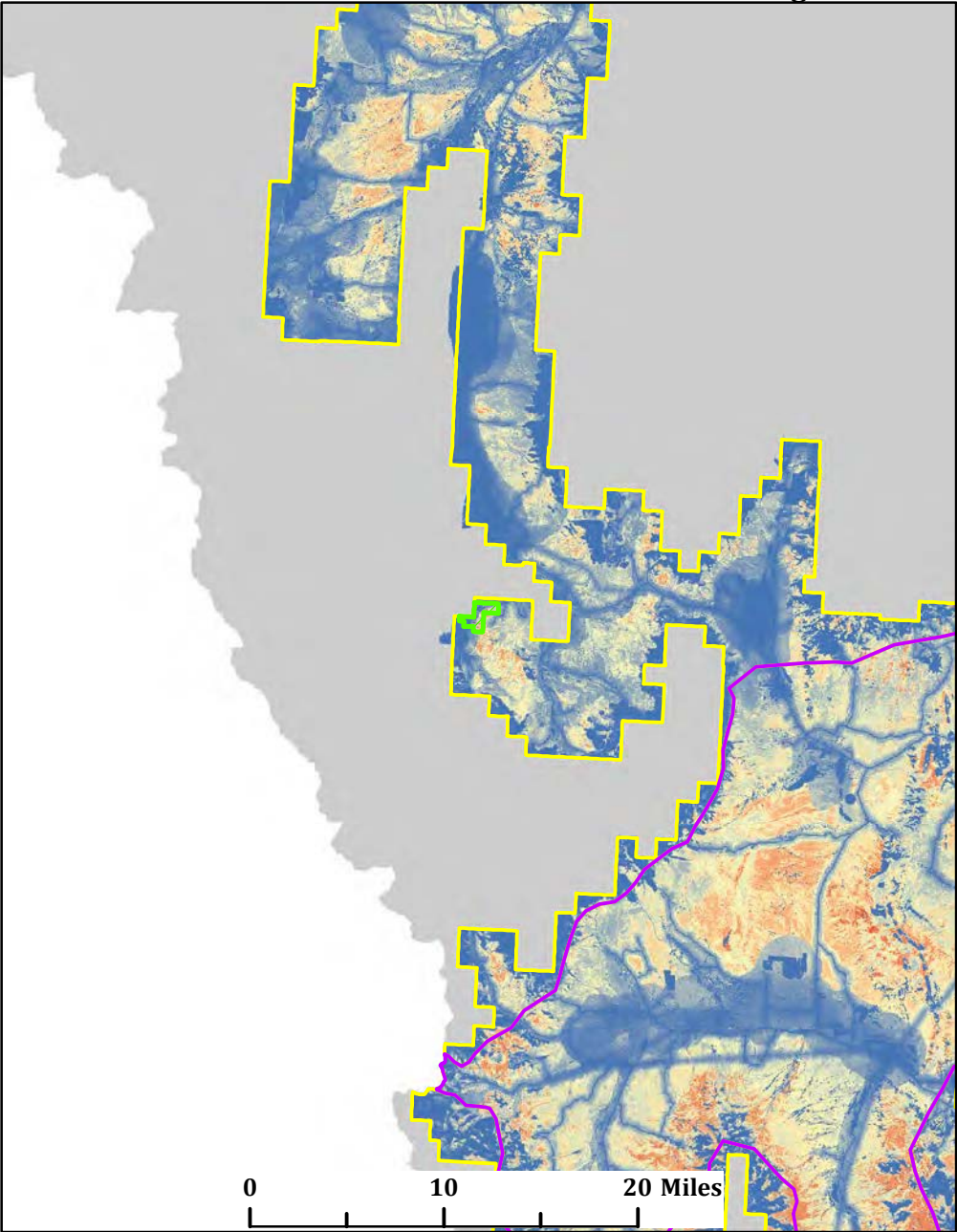
No response

HQT Results: Jackson Ranch - TNC

Local Scale



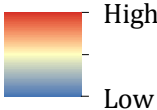
Regional Scale





Project HQT Metadata

HQT Date: 23 Oct. 2020
Years Maintained: 100 Years

HQT Habitat Quality



-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat

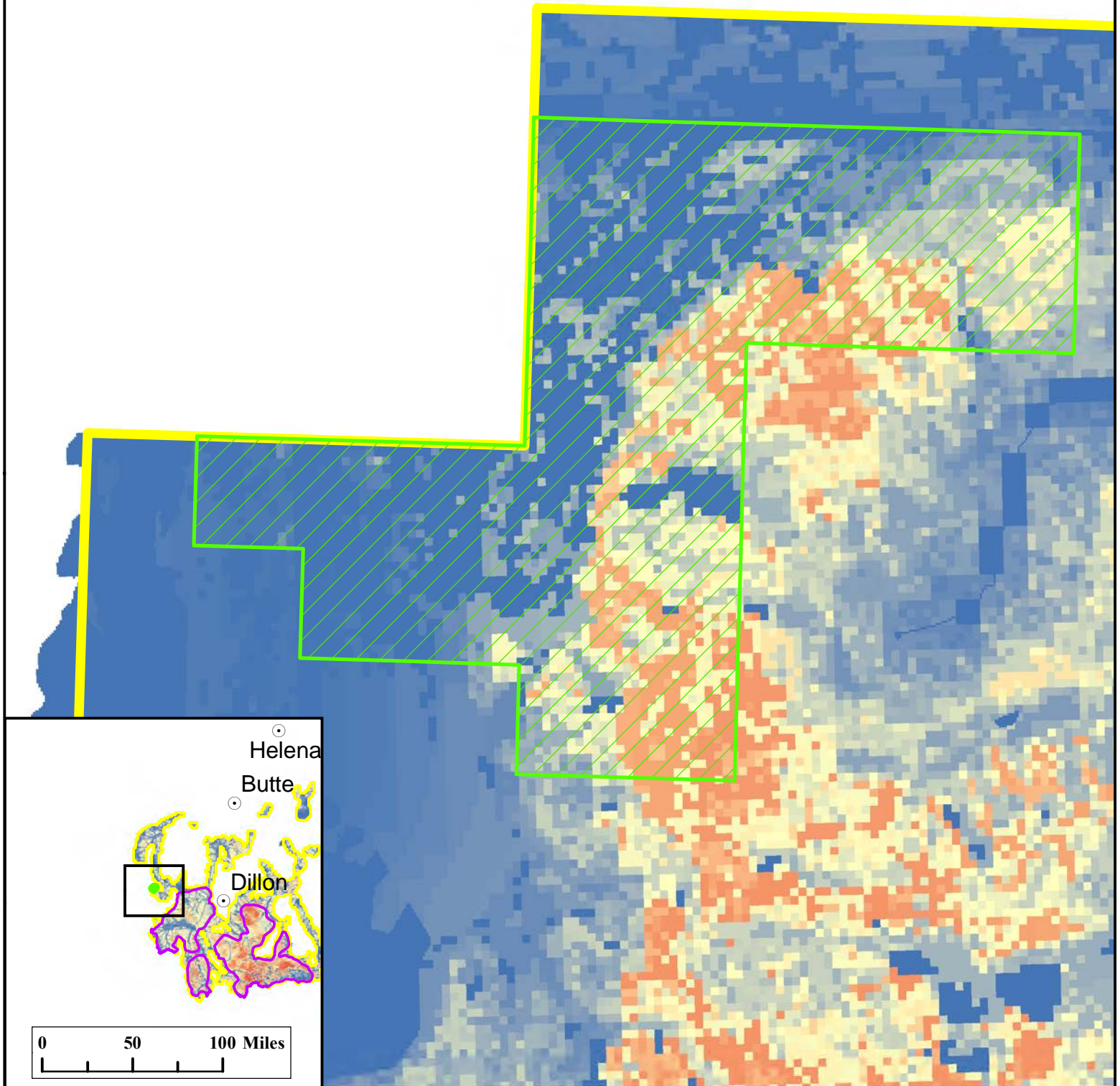


MONTANA SAGE GROUSE
Habitat Conservation Program

HQT Results: Jackson Ranch - TNC



MONTANA SAGE GROUSE
Habitat Conservation Program

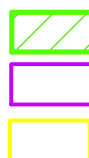
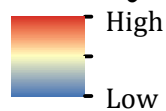


Project & HQT Information

Date of HQT Results: 23 Oct. 2020

Number of Years: 100 Years

HQT Habitat Quality



Project Direct Footprint

Core Area

General Habitat



Major Towns

0 0.25 0.5 Miles



MUSSARD-BARRETT PERPETUAL CONSERVATION EASEMENT

- 1. Will the proposed project maintain, enhance, restore, expand, or benefit greater sage grouse habitat and populations and be a viable project to provide mitigation credits for offsetting development? Why or why not and any comments/observations?**

Four parcels comprise this submission, all of which are in Core habitat. The proposal will maintain GSG habitat and populations and mitigation credits would be provided.

The Mussard-Barrett project would protect sage-grassland habitat within identified core sage grouse habitat. The project is in an area with many active leks with overall high lek counts. The Mussard-Barrett property contains a substantial portion of the higher quality sage grouse habitat within the 2-mile buffer area. This property contains sagebrush steppe that likely supports sage grouse during nesting, brood rearing and wintering. This project proposes a perpetual 2,440-acre easement in core sage grouse habitat which would effectively provide mitigation credits for offsetting development.

No response

Yes

Yes

Project would maintain and expand protected habitat in Core. Due to the location of the easement property it seems like residential development threats would be low, but MT is changing drastically, and pressures are likely to increase for development in the SW part of the state.

Yes. The property provides high habitat value in core habitat. The conservation value of the property is enhanced by its proximity to public lands. Perpetual protection will prevent agricultural conversion and residential development in the portions of the property in valley bottom areas.

- 2. Are you aware of additional protected lands either not reflected in the grant application or the materials provided by the Sage Grouse Habitat Conservation Program, such as FWP long term leases? If so, please describe. Please respond YES/NO and provide any comments for each application:**

Yes – The properties are surrounded by State (DNRC) and BLM managed lands.

YES. The Mussard's currently hold a grazing lease with the BLM adjoining the project area. This grazing lease is under a deferred-rest-rotation system to mitigate impacts on sage grouse.

No response

No

No

No

NO

- 3. Is this proposal consistent with the purposes of the Stewardship Fund and should it receive funding? If yes, should it receive 100% of the requested amount? For each application, please indicate the following: Consistency: YES/NO Requested Amount: YES/NO**

Yes. Requested amount – Yes. This is a solid proposal, with abundant public land surrounding the proposed lands. In addition, NRCS funding (76%) has been secured.

Consistency – yes; requested amount – yes

No response

Yes/Yes

Yes/Yes

Consistency: YES. Requested Amount: YES

Consistency: YES; Requested Amount: YES

4. **Please address any particular strengths or weaknesses of the project based on your area of expertise and knowledge of the project area. Comments.**

All of the four parcels are in Core habitat. The southern parcel appears to be especially high quality, with the three parcels to the north lesser quality. Little of the ranch has currently been altered by anthropogenic disturbances. Matching funds are secured.

This project is valuable because of the strategic location of the Mussard-Barrett property. The property is situated within a complex of BLM and DNRC lands and the protection of this habitat would maintain contiguous sage grouse habitat amongst these landownerships. The potential attractiveness of the Horse Prairie area for exurban development threatens sage grouse habitat and populations in the area. There also is some potential for conversion from ranch to cropland. A perpetual easement would ensure this area continues to provide habitat for sage grouse. This project would maintain sage grouse habitat and provide mitigation credits, while supporting a working landscape and the ranching heritage of Beaverhead County.

No response

This property is critical link for the southwest MT migratory sage-grouse population, linking it to the Idaho core area to the south.

Moderate cost, habitat, and conservation benefit

I view this project as an important component within the context of the Jackson, Alexander, and Peters Ranch projects. These projects all maintain high elevation habitats with important brood-rearing and late brood-rearing habitats, and their locations are strategic relative to seasonal migration for SW MT sage grouse populations. As such, conservation of genetics likely plays an important role in the selection of this easement.

See #1

5. **Here, we ask you to consider the potential to generate mitigation credits. Refer to the summary table provided.**

Does the project have the potential to generate mitigation credits based on the habitat values of the project for Greater Sage-grouse? YES/NO How would you compare the credit potential of this project vs. other applications? For each application, please indicate YES/NO and provide additional comments:

Yes – the potential for adding mitigation credits is high. When compared to the other six submittals, this proposal ranks in the upper tier in terms of mitigation credits/acre and dollars expended.

YES. This project provides mitigation credit potential, cost-share funds are in-hand, and there is some risk of conversion to cropland or subdivision. MSGOT would receive a strong dollar committed to credit generated ratio compared with other projects.

No response

YES

Yes, 4th

Yes. While this project is 5th lowest score for Credits/PA/YR, it will generate the 4th highest number of credits overall. Its Cost/Acre is 4th highest, but its location within a high percentage (50%-60%) of conserved lands within 4 miles leverages that cost to create a large area of conservation for the investment amount. The western and southern portions of the easement bridge the gap between conserved lands, creating contiguous protected lands.

YES

6. Please rank all projects submitted for funding from the Stewardship Fund in order of highest priority to lowest priority. Assign the highest priority project a score of 7 and the lowest priority project for funding a score of 1.

Project Name	Priority Ranking (7 is highest priority; 1 is lowest priority)	Should this Project be Funded during the 2020 Grant Cycle? (yes/no/defer until a future grant cycle given available funding in 2020)
Mussard – Barrett	6	Yes- Nice piece of property, reasonable cost to SGHCP and matching funds secured.
Mussard – Barrett	6	Yes
Mussard-Barrett	3	Yes
Mussard – Barrett	5	Yes
Mussard – Barrett	4	yes
Mussard – Barrett	5	Yes
Mussard – Barrett	5	

7. Based on your responses in the table above, list any projects you believe the Montana Sage Grouse Oversight Team should not fund at this time and why.

Fund – Reasonable cost, matching funds secured. Good habitat and abundant potential mitigation credits.

No response

No response

No response

No response

Fund

None. [Comments: Although all projects have some conservation value and potential to generate mitigation credits, the higher ranking projects have considerably more conservation value than lower ranking projects. Consider prioritizing funding of higher ranked projects.]

8. Any other comments / input for the Montana Sage Grouse Oversight Team?

No response

The Mussards have significant holdings in the Horse Prairie area and have been pro-active about conservation on their property. This project would further their conservation efforts while ensuring their ability to continue ranching operations. Success in creating this easement could facilitate future efforts to conserve/improve sage grouse habitat on their properties.

No response

No response

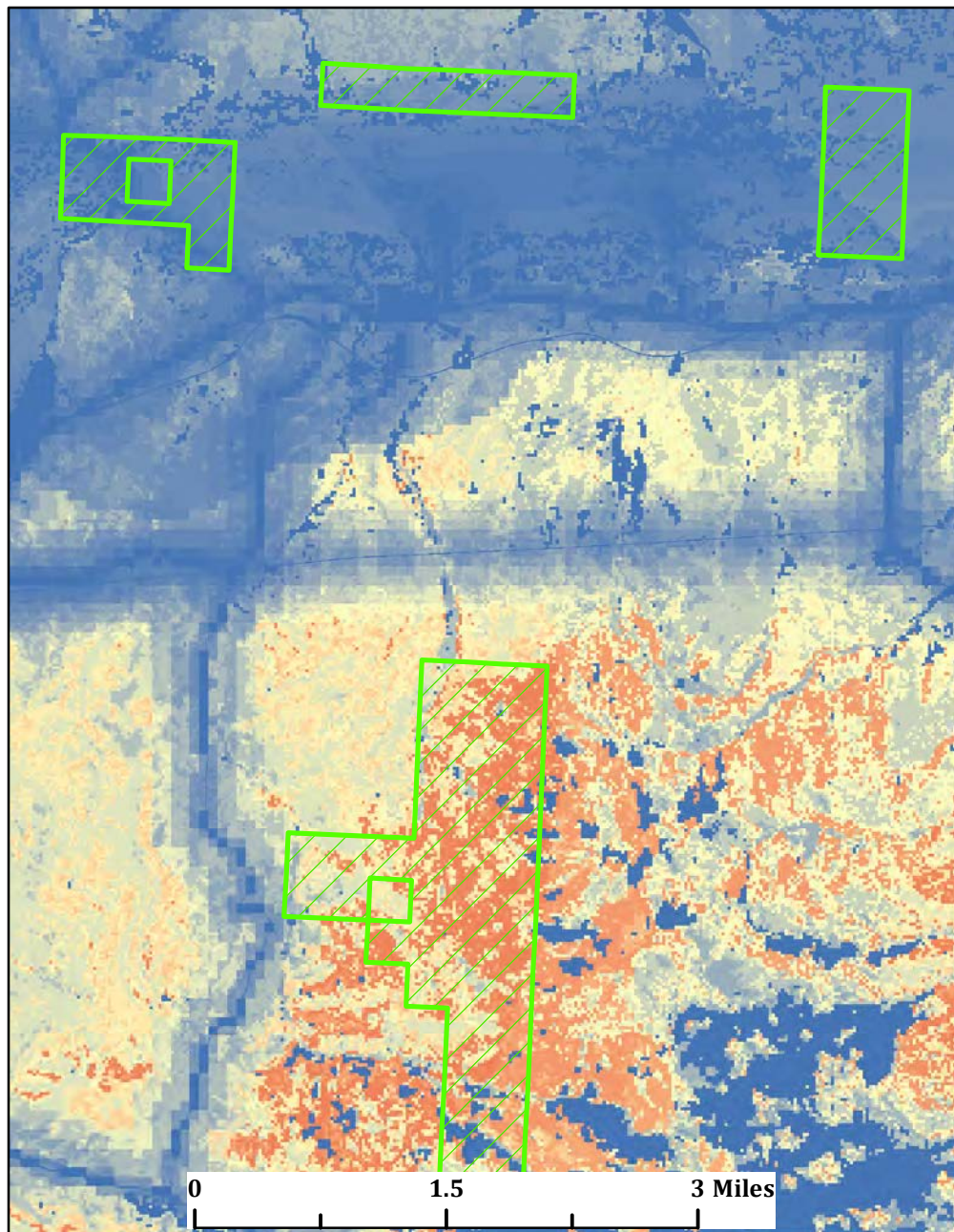
Moderate cost for benefit, all core, large net conservation benefit to public lands

Fund

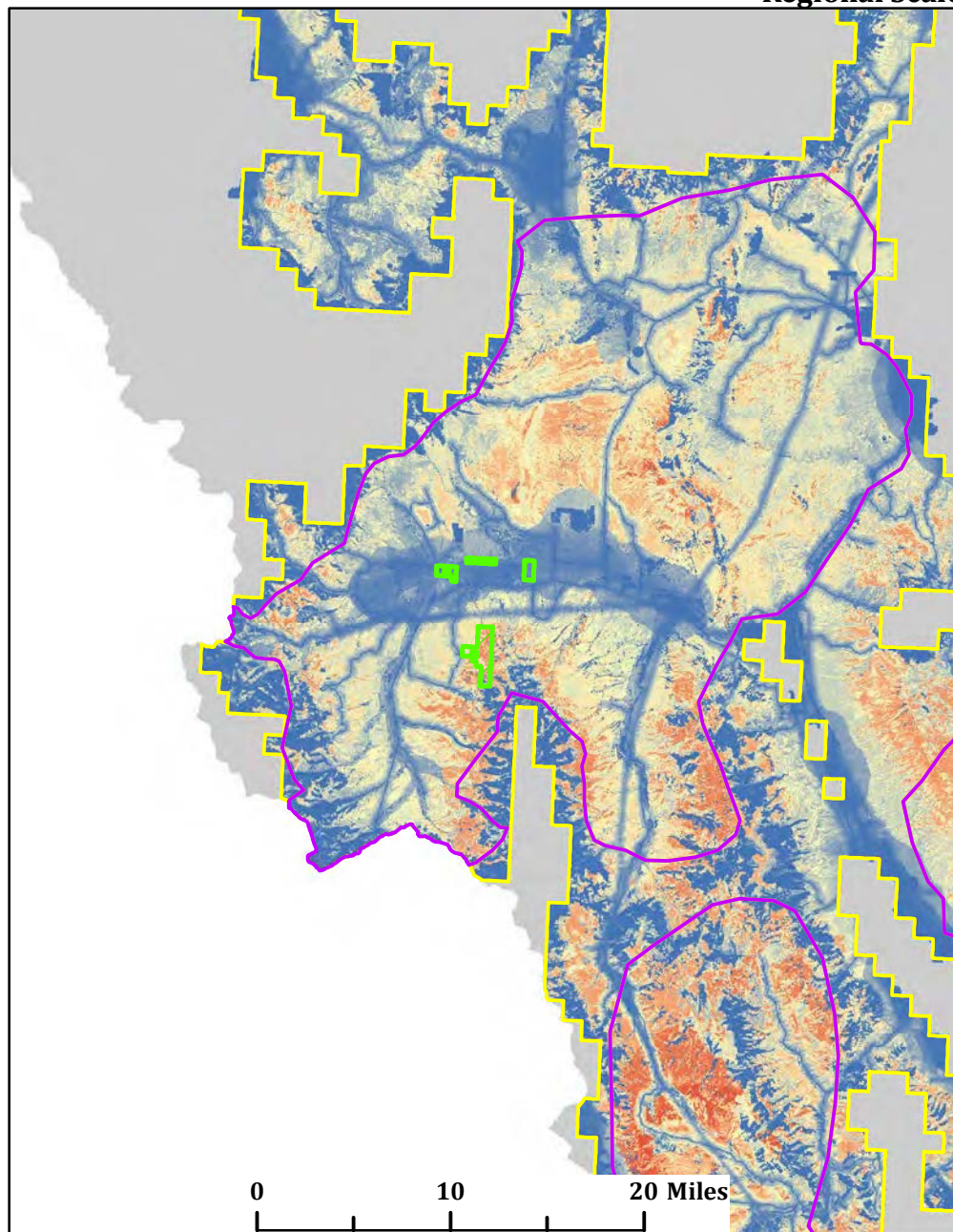
No response

HQT Results: Mussard Ranch - TNC

Local Scale



Regional Scale

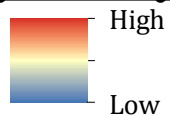


Project HQT Metadata



HQT Date: 09 Oct. 2020

Years Maintained: 100 Years

HQT Habitat Quality



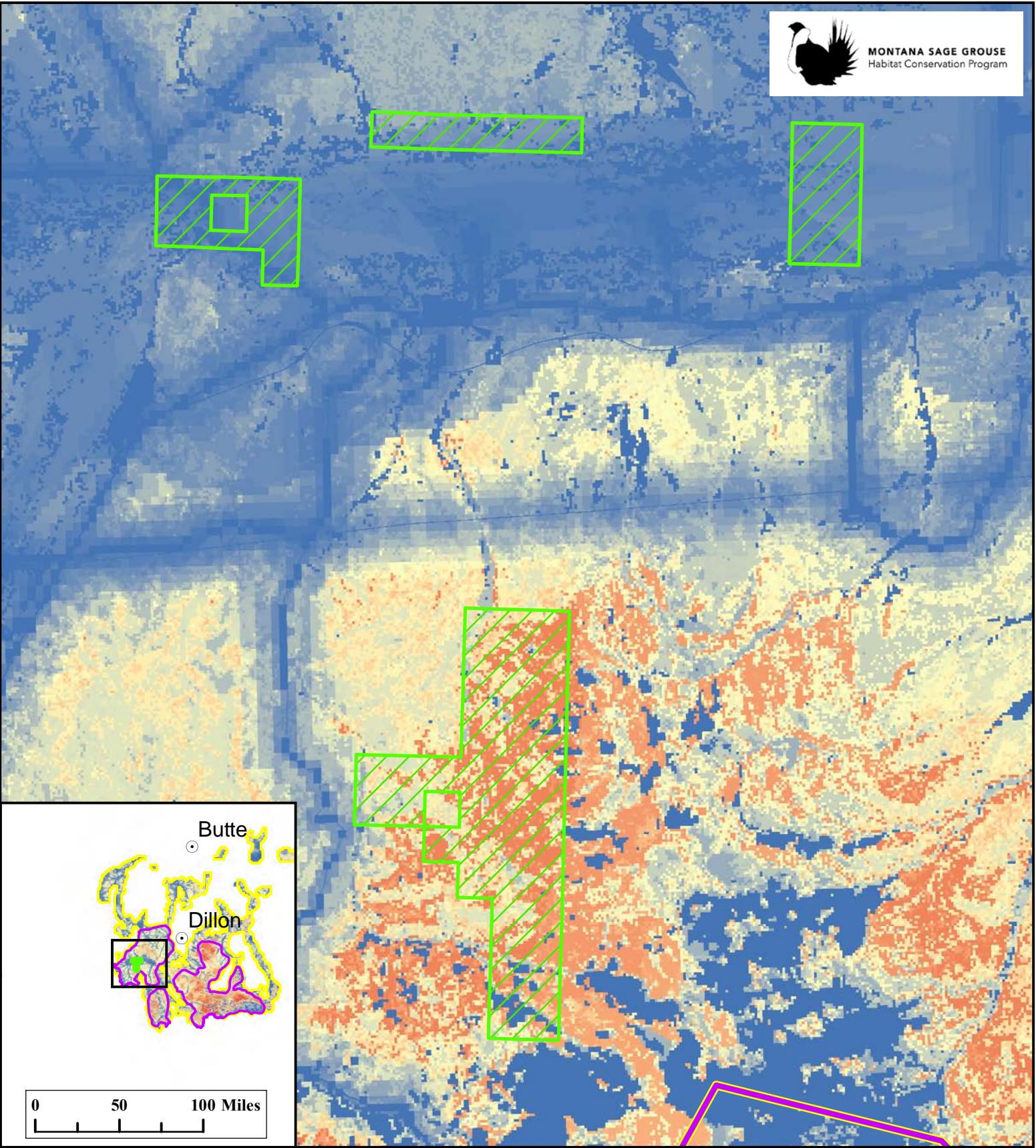
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

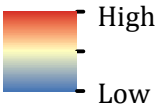
HQT Results: Mussard Ranch - TNC



Project & HQT Information

Date of HQT Results: 09 Oct. 2020
Number of Years: 100 Years

HQT Habitat Quality

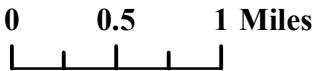


Project Direct Footprint

Core Area

General Habitat

Major Towns



PETERS RANCH PERPETUAL CONSERVATION EASEMENT

1. **Will the proposed project maintain, enhance, restore, expand, or benefit greater sage grouse habitat and populations and be a viable project to provide mitigation credits for offsetting development? Why or why not and any comments/observations?**

This proposal will maintain GSG habitat and populations. Habitat quality on this parcel and adjacent to the parcel may limit GSG use, as connectivity could be an issue. Potential for generating mitigation credits is high.

The Peters Ranch project would protect sage grouse nesting and brood rearing habitat in identified core sage grouse habitat. The project area is in the Big Sheep Basin which is known to be an important sage grouse area from the breeding season through fall. The importance of this area to sage grouse populations is attested to by lek observations, telemetry data and annual wing collections from hunters. The Peters property contains sagebrush, grassland and mesic meadows for sage grouse nesting and brood rearing. The proposed project would establish a 3,492-acre perpetual conservation easement to provide mitigation credits to offset development.

No response

Yes

Yes

Project would maintain and expand protected habitat in Core. Due to the location of the easement property it seems like residential development threats would be low, but MT is changing drastically, and pressures are likely to increase for development in the SW part of the state.

Yes. The property provides high-quality habitat with substantial conservation value for sage-grouse populations in SW Montana. It is surrounded by public lands, which enhances the conservation value of the property.

2. **Are you aware of additional protected lands either not reflected in the grant application or the materials provided by the Sage Grouse Habitat Conservation Program, such as FWP long term leases? If so, please describe. Please respond YES/NO and provide any comments for each application:**

Yes – The proposal has an abundance of adjacent BLM and State managed lands.

NO.

No response

No

No

No

No

3. **Is this proposal consistent with the purposes of the Stewardship Fund and should it receive funding? If yes, should it receive 100% of the requested amount? For each application, please indicate the following: Consistency: YES/NO Requested Amount: YES/NO**

Consistency – Yes. Requested amount – Yes. This is a solid proposal, with abundant public land surrounding the proposed CE. Funding from NRCS has been secured and the cost to the SGHCP is reasonable.

Consistency – yes; requested amount - yes

No response

Yes/Yes

Yes/Yes

Consistency: YES. Requested Amount: YES

Consistency: YES; Requested Amount: YES

4. Please address any particular strengths or weaknesses of the project based on your area of expertise and knowledge of the project area. Comments.

Anthropogenic alterations are minimal. The parcel has several adjacent parcels of public land which should remain functional GSG habitat. The entire parcel is Core habitat, even though some of the acres appear to be lower quality. Matching funds have been secured.

The Peters Ranch project would provide perpetual protection for a relatively large area of sage grouse habitat in the Big Sheep Basin. The Big Sheep Basin is particularly important to sage grouse populations in SW Montana as evidenced by consistent leking activity, telemetry data, and wing collections from grouse hunters. For the past 4 years wings have been collected from hunters in 10 SW Montana sites and since this time nearly 1/3 of all samples have come from the Big Sheep area alone. This project would provide mitigation credits for offsetting development while supporting the ranching heritage of Beaverhead County.

No response

This property is critical link for the southwest MT migratory sage-grouse population, linking it to the Idaho core area to the south.

Core, Moderate habitat, lower cost, and higher conservation benefit

I view this project as an important component within the context of the Jackson, Mussard-Barrett, and Alexander projects. These projects all maintain high elevation habitats with important brood-rearing and late brood-rearing habitats, and their locations are strategic relative to seasonal migration for SW MT sage grouse populations. As such, conservation of genetics likely plays an important role in the selection of this easement.

Peters Ranch: See #1

5. Here, we ask you to consider the potential to generate mitigation credits. Refer to the summary table provided.

Does the project have the potential to generate mitigation credits based on the habitat values of the project for Greater Sage-grouse? YES/NO How would you compare the credit potential of this project vs. other applications? For each application, please indicate YES/NO and provide additional comments:

Yes - Solid proposal with abundant potential for generating mitigation credits. When compared to the other submissions, this proposal would be in the upper three submittals.

YES. This project provides mitigation credit potential, cost-share funds are in-hand, and there is some risk of subdivision development. MSGOT would receive a strong dollar committed to credit generated ratio compared with other projects.

No response

No response

Yes, 3rd

Yes. This project has the 2nd highest score for Credits/PA/YR, and is the 3rd highest for Cost/Acre.

Yes

6. Please rank all projects submitted for funding from the Stewardship Fund in order of highest priority to lowest priority. Assign the highest priority project a score of 7 and the lowest priority project for funding a score of 1.

Project Name	Priority Ranking (7 is highest priority; 1 is lowest priority)	Should this Project be Funded during the 2020 Grant Cycle? (yes/no/defer until a future grant cycle given available funding in 2020)
Peters Ranch	5	Yes – Reasonable cost to SGHCP. Matching funds have been secured.
Peters Ranch	5	Yes
Peters Ranch	7	Yes
Peters Ranch	7	Yes
Peters Ranch	5	yes
Peters Ranch	7	Yes
Peters Ranch	7	

7. Based on your responses in the table above, list any projects you believe the Montana Sage Grouse Oversight Team should not fund at this time and why.

Fund – Reasonable cost, matching funds secured. Good habitat and abundant potential mitigation credits.

No response

No response

No response

No response

Fund

None. [Comments: Although all projects have some conservation value and potential to generate mitigation credits, the higher ranking projects have considerably more conservation value than lower ranking projects. Consider prioritizing funding of higher ranked projects.]

8. Any other comments / input for the Montana Sage Grouse Oversight Team?

No response

The Peters Ranch (Dragging-Y Cattle) has extensive land holdings in core sage grouse habitat; not only in the Big Sheep area, but also in Horse Prairie. The Peters Ranch has a history of working with MT FWP, Rocky Mountain Elk Foundation and The Nature Conservancy. Success of this project would continue to grow the existing relationship between the Peters and conservation/wildlife management entities. This could produce additional opportunities for protection of core sage grouse habitat while supporting ranching operations.

No response

No response

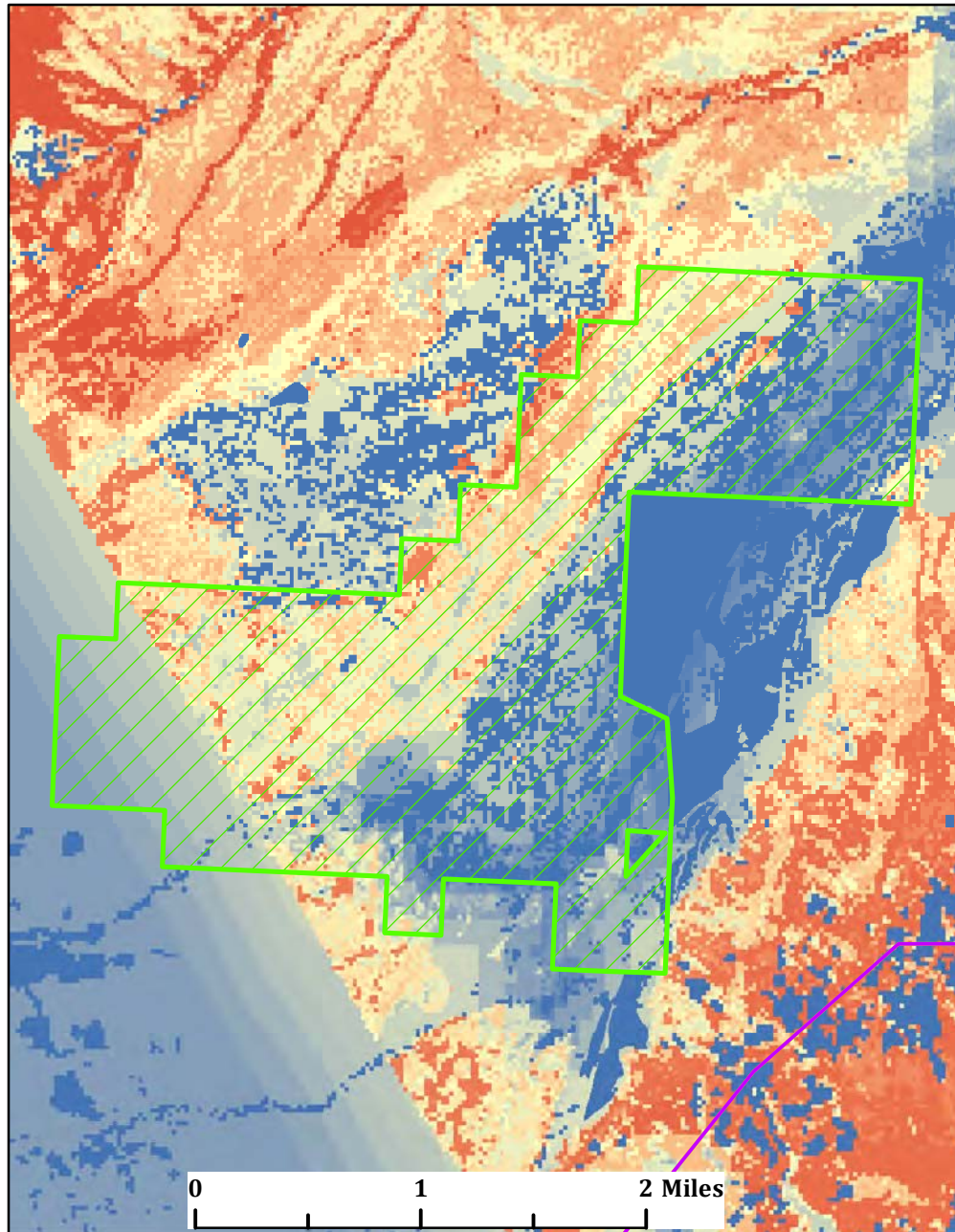
Low to moderate cost for overall benefit. Moderate to high net conserved lands benefit. Also all core.

No response

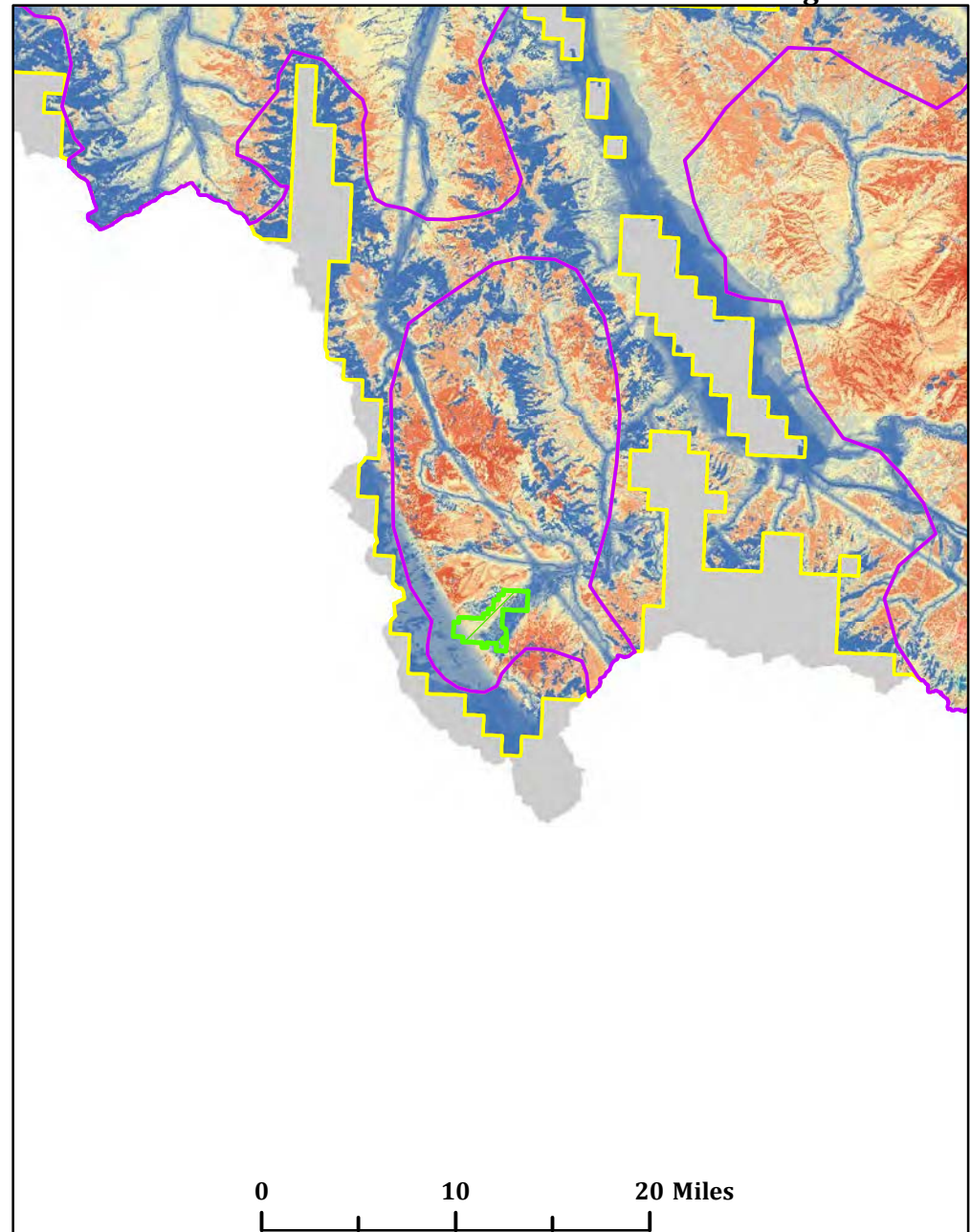
No response

HQT Results: Peters Ranch - TNC

Local Scale



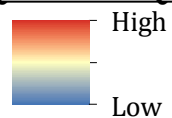
Regional Scale





Project HQT Metadata

HQT Date: 10 Sept. 2020
Years Maintained: 100 Years

HQT Habitat Quality



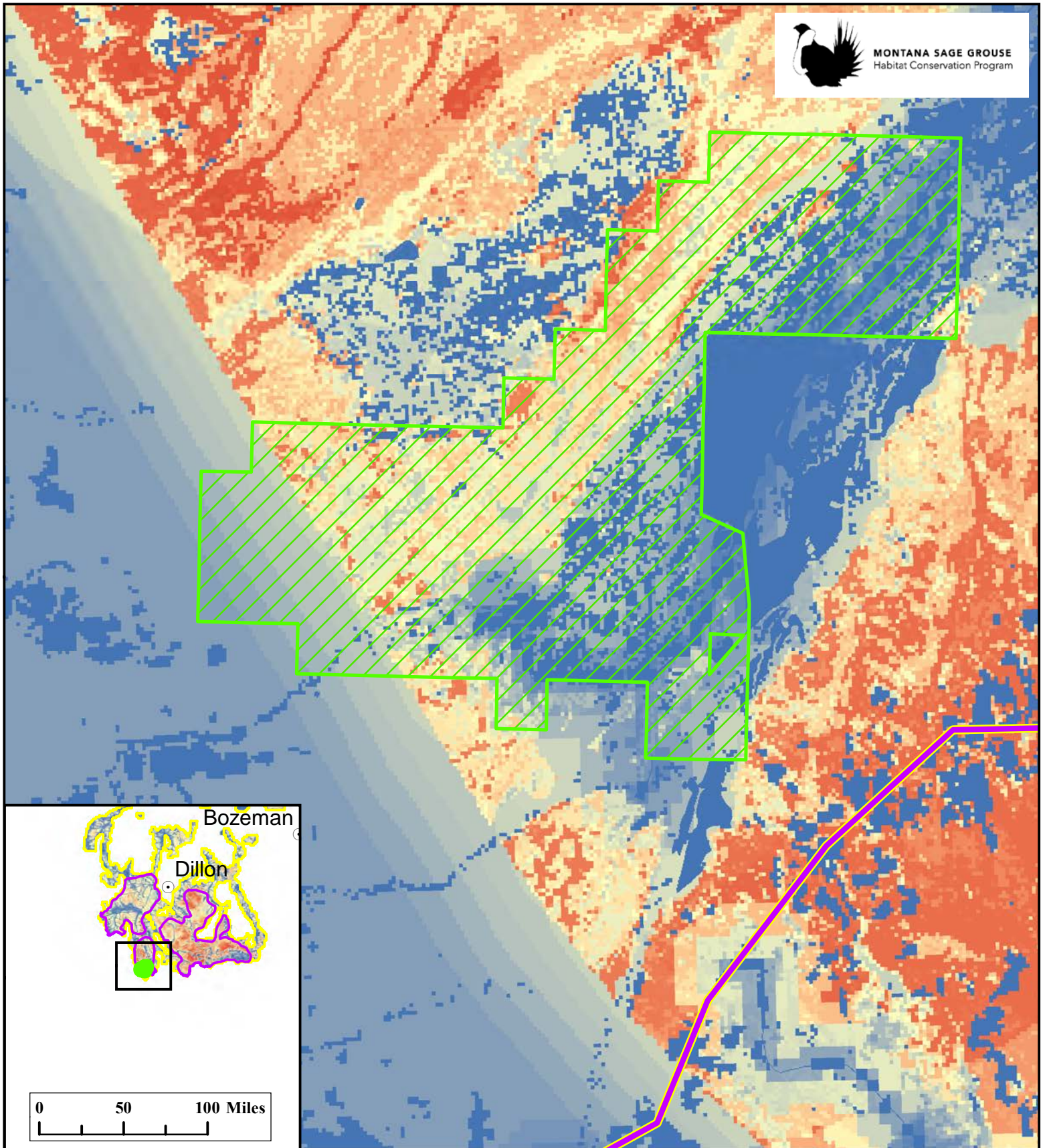
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

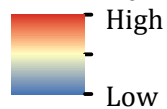
HQT Results: Peters Ranch - TNC



Project & HQT Information

Date of HQT Results: 10 Sept. 2020
Number of Years: 100 Years

HQT Habitat Quality

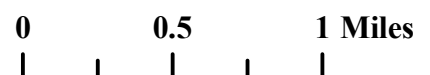


Project Direct Footprint

Core Area
General Habitat



Major Towns



54 Livestock Ranch

54 Livestock Conservation Easement Project Analysis			
	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Total Acres included in Easement Area	6,659	90,963	442,890
Core Acres	4,019	52,644	201,801
General Acres	2,640	24,637	114,197
Connectivity Acres	0	0	0
Outside Habitat	0	13,682	126,892
Percent Core	60%	58%	46%
FWP Lek Count (May be other Leks present)	0	5	19
FWP Total Male Count (Most Recent)	0	109	380
FWP Avg. Male Count	0	22	20
Project Cost/Acre	\$77.94	NA	NA

Conservation Status	Project Area	4 Mile Buffer (%)	12 Mile Buffer (%)
Percent Public (MT FWP, STL, BLM, US Bureau of Reclamation, USFS)	0%	19.99%	17.72%
Percent Private Conservation	0%	0%	0%
Percent Managed Areas (Beaverhead - Deerlodge National Forest, BLM, MT FWP)	0%	0%	0.00%
Percent Conservation Easement (MLR)	0%	6%	3.84%
Total in Conservation	0%	25.58%	21.35%
Not in Conservation	100%	74.42%	78.65%

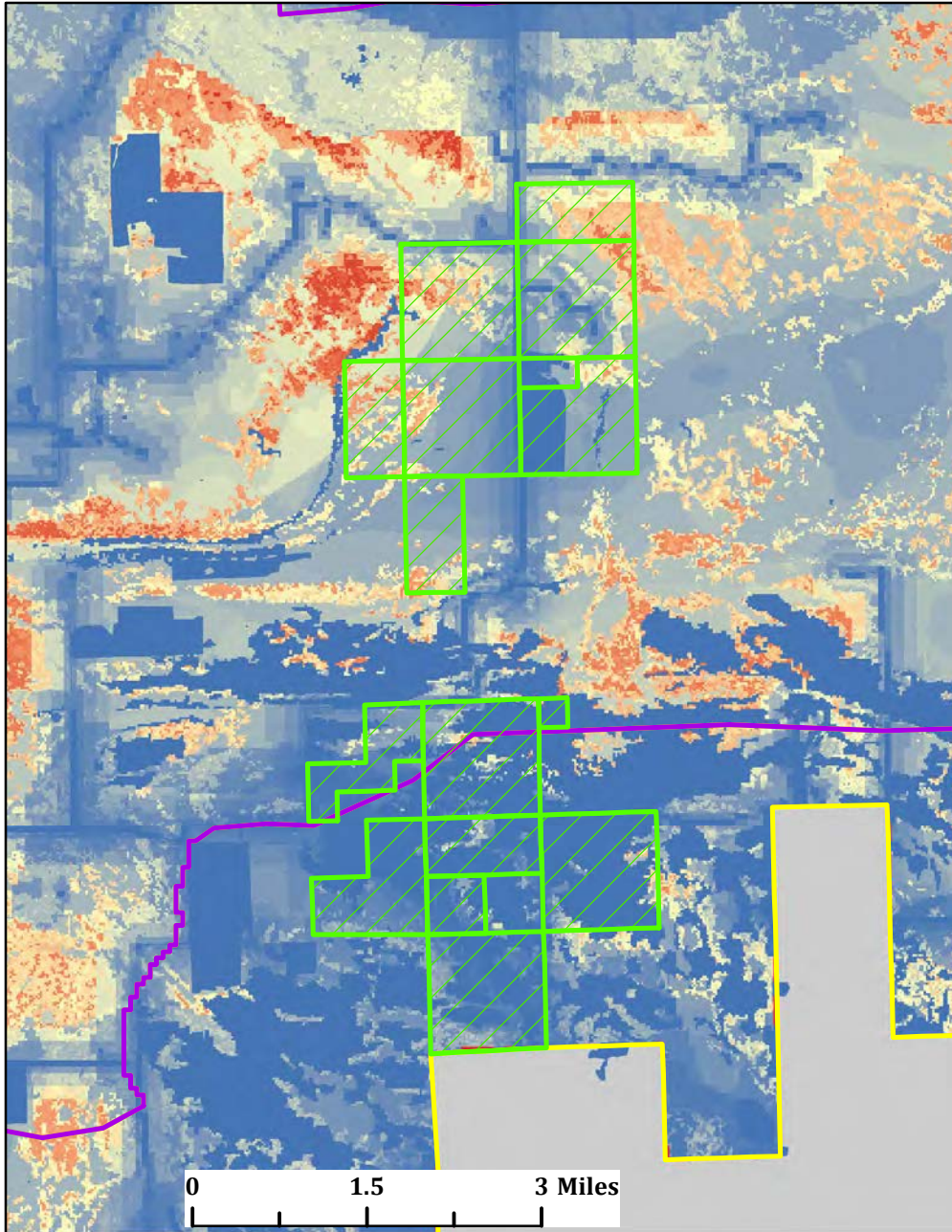
Some Managed Areas are also Public Lands.

Lek Vulnerability	Project Area	4 Mile Buffer	12 Mile Buffer
No Data	0	0	0
0 - 10%	0	2	6
10.1 - 25%	0	2	6
25.1 - 50%	0	1	3
50.1 - 75%	0	0	3
75.1 - 100%	0	0	1

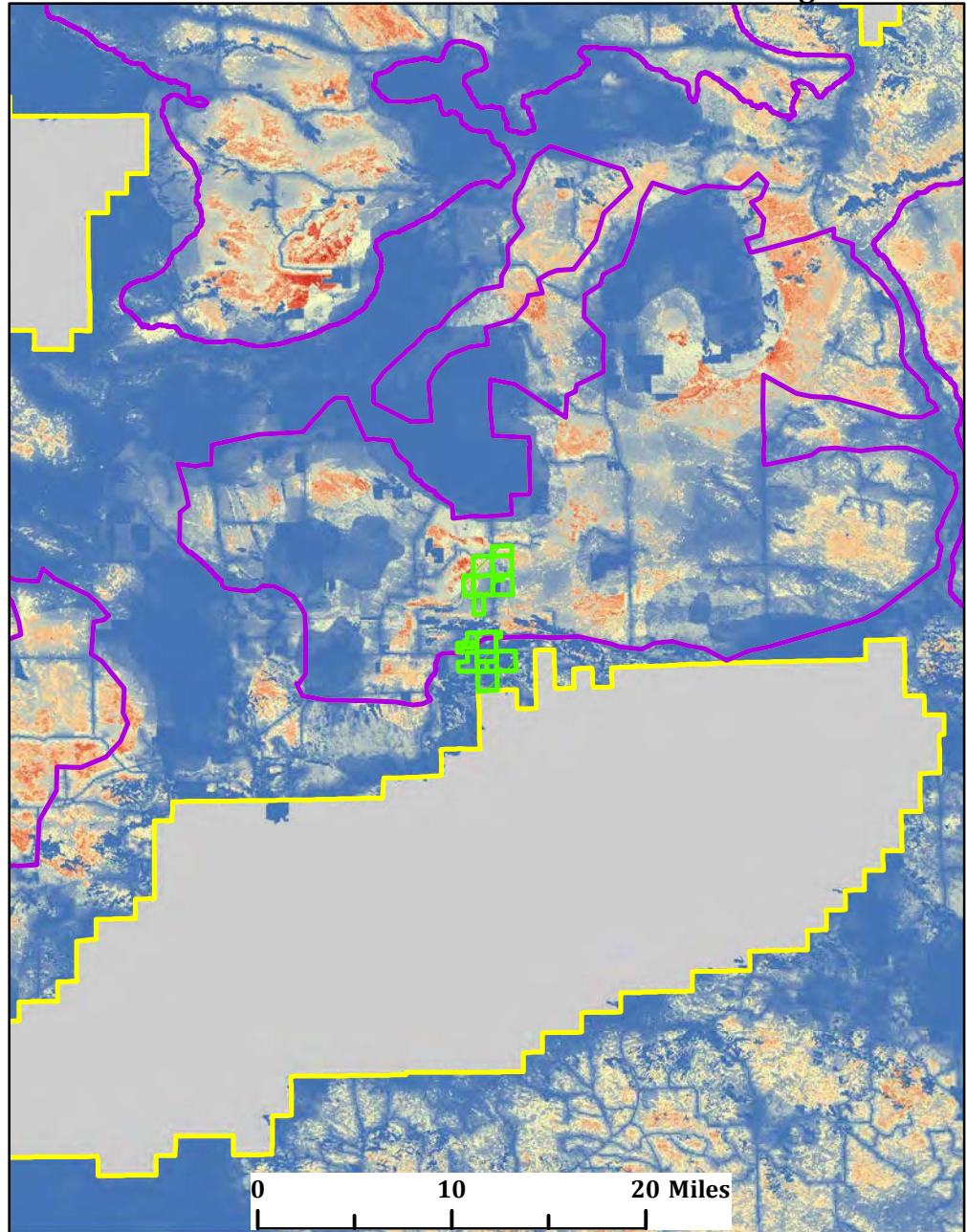
Existing Disturbance Composition (Percent Area)	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Building	0.0003%	0.04%	0.04%
Crop	8.87%	9.23%	9.92%
Livestock Area	0.01%	0.06%	0.08%
Power Line	0.00%	0.001%	0.01%
Road	0.85%	0.37%	0.28%
Stock Pond	0.02%	0.00%	0.01%
Storage Yard	0.00%	0.03%	0.05%
Other	0.07%	0.07%	0.32%

HQT Results: 54 Ranch Perpetual Easement

Local Scale



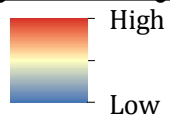
Regional Scale





Project HQT Metadata

HQT Date: 8 April 2020
Years Maintained: 100 Years

HQT Habitat Quality



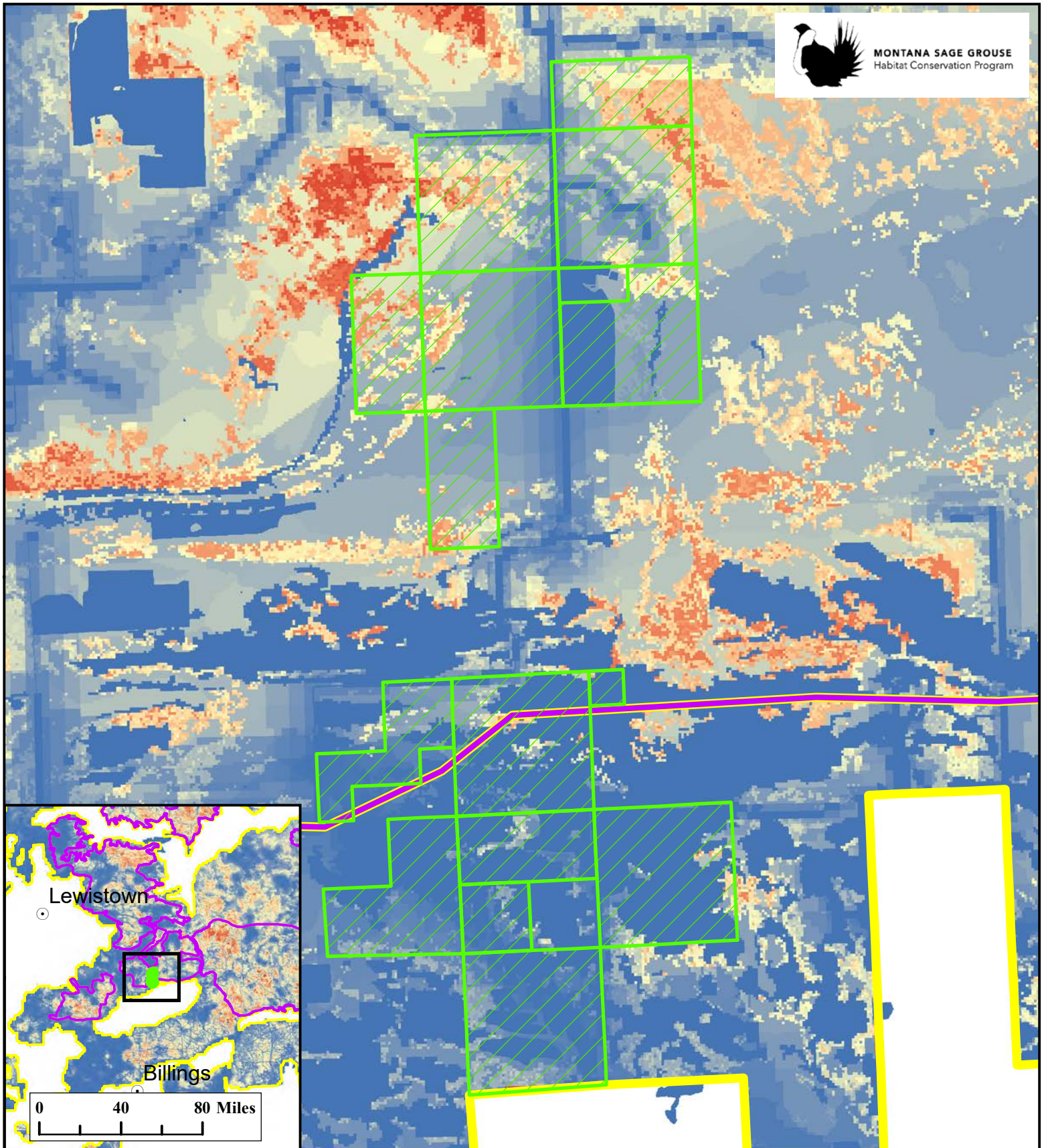
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

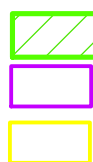
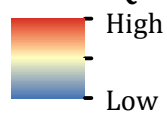
HQT Results: 54 Ranch Perpetual Easement



Project & HQT Information

Date of HQT Results: 8 April 2020
Number of Years: 100 Years

HQT Habitat Quality



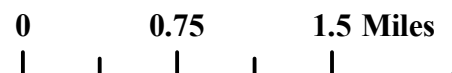
Project Direct Footprint

Core Area

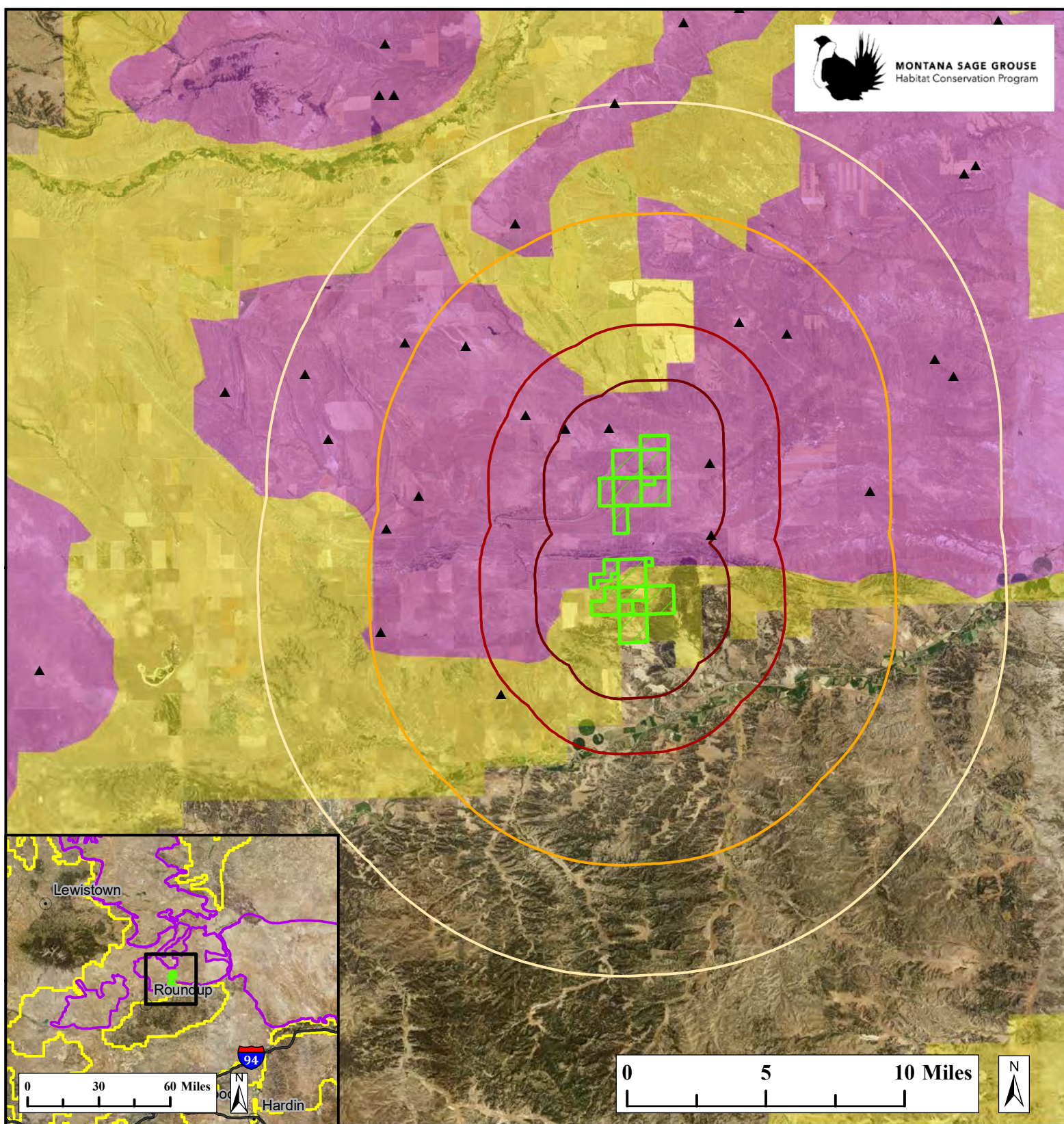
General Habitat



Major Towns



54 Livestock Co., Inc. TNC Conservation Easement- Lek Proximity



Project Information:

Map Date: 22 October 2020
PathFile:G:\CARD\10 Sage Grouse HCP\Grant Program\Third Cycle - November 2020\GIS\54 Livestock - TNC\maps\ProximityToSGLeks.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency Aerial Photography Field Office.

▲	ActiveLeks		Buffer Distances	
	Project Boundary		2 Mile Buffer	
	Core Area		4 Mile Buffer	
	General Habitat		8 Mile Buffer	
	Connectivity Area		12 Mile Buffer	

Leks Within Buffer

2 Mile:	4
4 Mile:	5
8 Mile:	13
12 Mile:	19

54 Livestock Co., Inc. TNC Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program



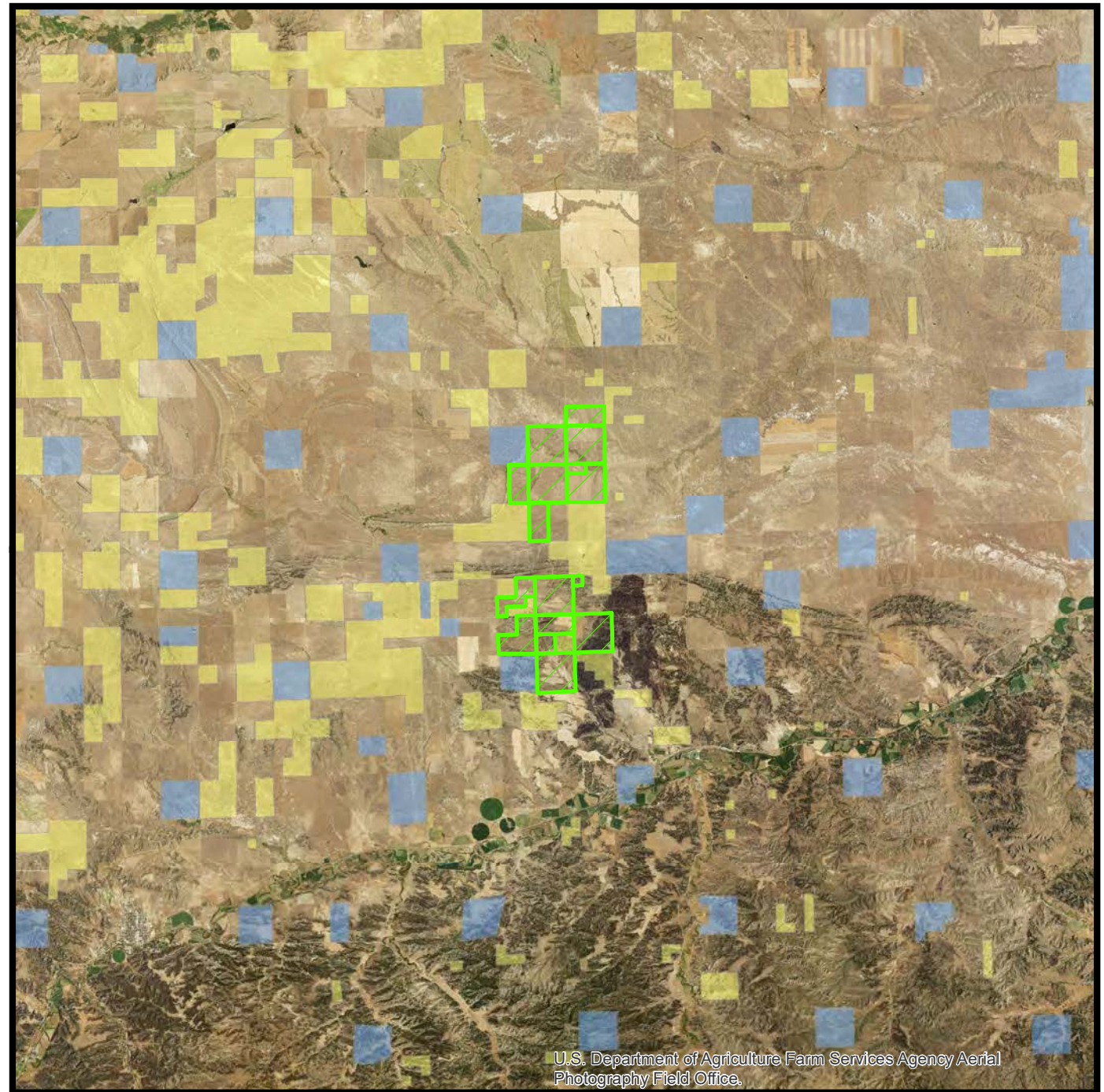
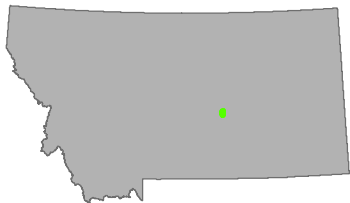
Project Boundary



Montana State Trust Lands



US Bureau of Land Management



U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.

Project Information:

Map Date: 22 October 2020
Path File: G:\CARD\10 Sage Grouse HCP\
Grant Program\Third Cycle - November 2020\
GIS\54 Livestock - TNC\maps
publicLands_landscape.mxd

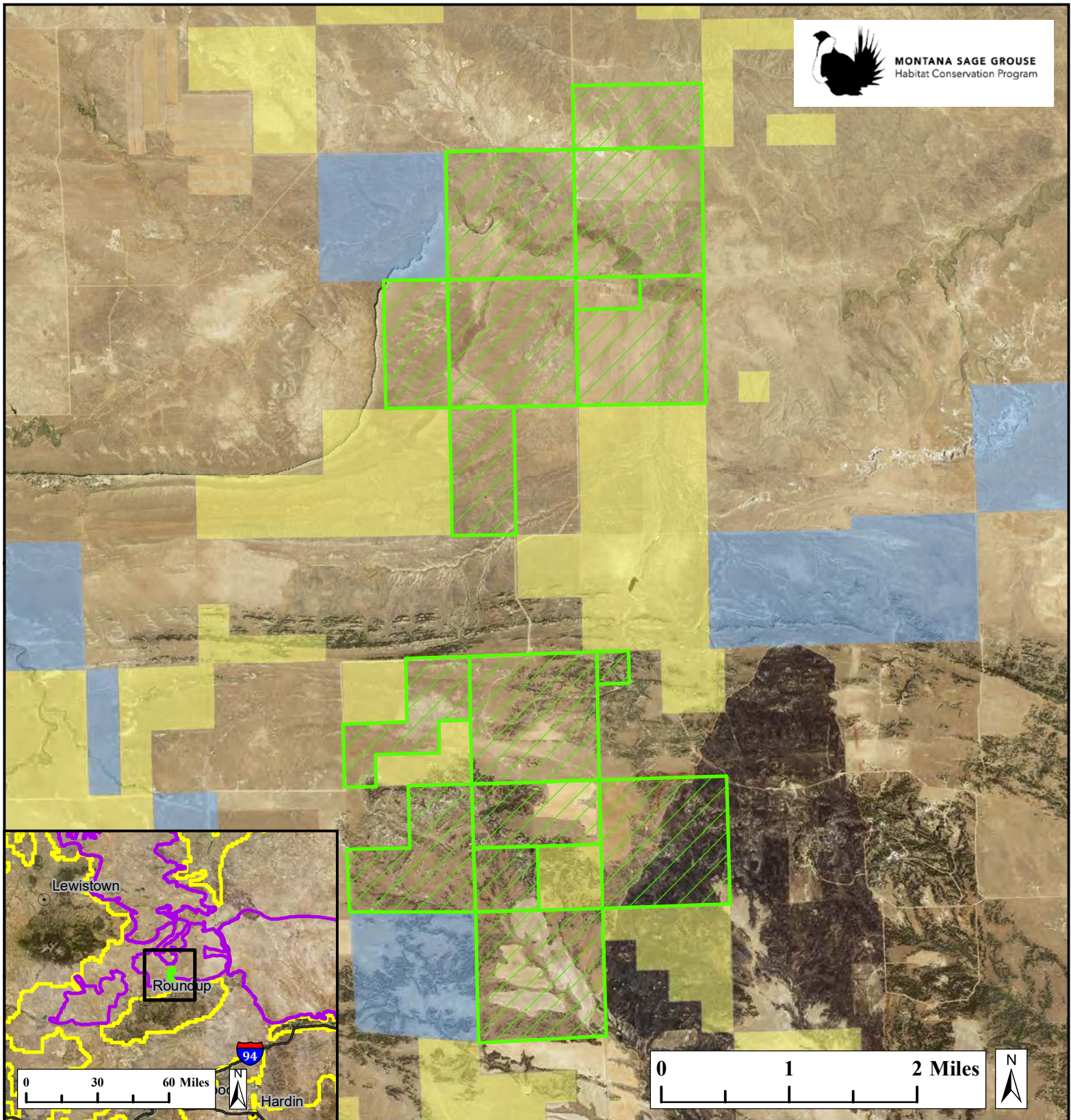
Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.

0

7.5

15 Miles

54 Livestock Co., Inc. TNC Conservation Easement

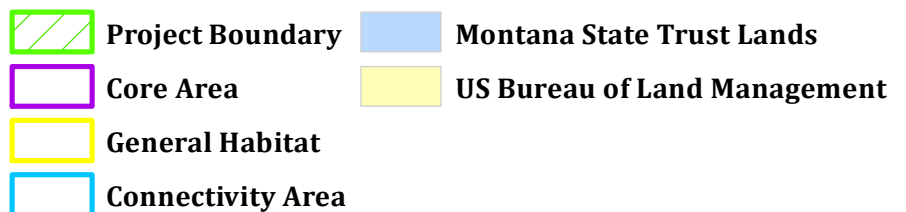


Project Information:

Map Date: 22 October 2020

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Program\Third Cycle - November 2020\GIS\54
Livestock - TNC\maps
PublicLandDDPs.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



Percentage Conserved Lands within 4 Miles of the 54 Livestock Co., Inc. Conservation Easement (The Nature Conservancy)













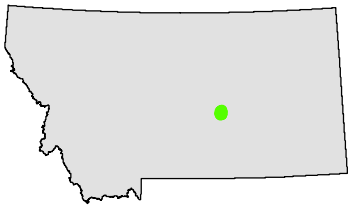
MONTANA SAGE GROUSE
Habitat Conservation Program

Project Information

-  Direct Project Footprint
-  Conserved Lands

Percent of Conserved Lands within 4 Miles of Project Area

-  0% - 10%
-  10.1% - 20%
-  20.1% - 30%
-  30.1% - 40%
-  40.1% - 50%
-  50.1% - 60%
-  60.1% - 70%
-  70.1% - 80%
-  80.1% - 90%
-  90.1% - 100%

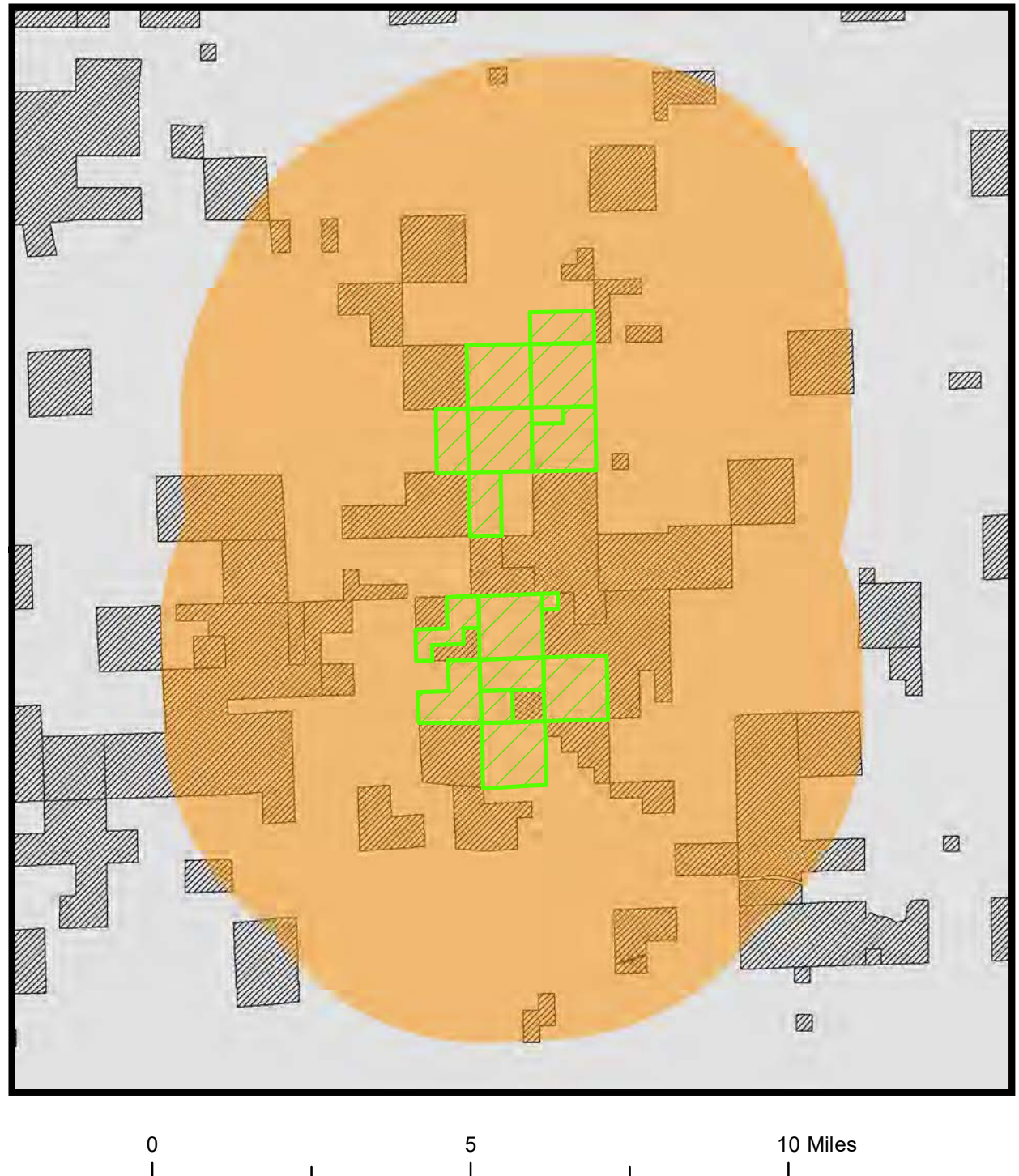


Map Information:

Map Date: 25 October 2020

File Path: G:\CARD\10 Sage Grouse
HCP\Grant Program\Third Cycle - November
2020\GIS\54 Livestock -
TNC\maps\4MileConservedLands.mxd

Land Management Dataset from: <http://mtnhp.org/stew.asp>





MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS COMPLETE APPLICATION

INTRODUCTION

Thank you for your interest in sage grouse conservation in Montana. Montana's goal is to conserve sage grouse and sage grouse habitats, to maintain viable populations and habitats, and maintain the flexibility to manage our own lands our wildlife, and our economy. In doing so, Montana can show that listing under the federal Endangered Species Act is not warranted in the future.

Habitat conservation is an important part of Montana's Sage Grouse Conservation Strategy. Montana recognizes the important role private landowners have played in conserving sage grouse and habitat through their land stewardship. Private landowners will continue to play an important role in conservation efforts going forward.

Montana has adopted an "all hands, all lands" approach where we work together collaboratively to address all threats. The Greater Sage Grouse Stewardship Fund is an opportunity to collaborate on sage grouse conservation.

PURPOSE OF THE GRANT PROGRAM

The purpose of the Montana Greater Sage-Grouse Stewardship Act ("Act") is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that emphasize maintaining, enhancing, restoring, expanding, and benefiting sage grouse habitat and populations on private lands, and public lands as needed, that lie within core areas, general habitat, or connectivity areas. MCA § 76-22-102(2).

The Act also requires that the majority of the grant funds be awarded to projects that generate credits that are available for compensatory mitigation. Therefore, MSGOT will prioritize grant awards to projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. The habitat quantification tool will be used to determine the final number of credits generated for any projects funded under the Grant Program.

Applications to the Grant Program do **not** constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015. Participation or receipt of Stewardship Fund Grant Program monies does not exclude or waive necessary review of any new land uses or activities subject to *Executive Order 12-2015*. Any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must also be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to that process.

Applicants are strongly encouraged to read the key documents before applying:

- The *Frequently Asked Questions, Stewardship Grants and Mitigation* document. It is found here: <https://sagegrouse.mt.gov/Grants>. It provides answers to common questions about Stewardship Account grants, mitigation, and private lands.



- The *Application and Award Process Diagram and the 2019 Deadlines* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document outlines the process and deadlines for the 2019 grants.
- The *Application Information and Guidance* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document provides a comprehensive outline of project eligibility, selection criteria, steps in the grant process form the pre-application phase to project implementation, and expectations for different project types. This document also includes the statutory requirements of the grant program located at MCA § 76-22-101 et seq, and the administrative rules promulgated to implement the grant program located at 14.6.101-106, ARM.
- The *Montana Mitigation System Policy Guidance Document for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. Portions of Section 1 and all of Section 2 are pertinent to mitigation credit sites. While section 3 is specifically for developers, it has information that may also provide helpful context.
- *Executive Order 12-2015*, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage-Grouse Habitat Conservation Program.
- For term lease or conservation easement projects, see the *Stewardship Account Term Lease / Conservation Easement Acknowledgment Form* at the end of the Complete Application (below).
- For restoration or enhancement projects, see the *Stewardship Account Restoration / Enhancement Acknowledgment Form* at the end of the Complete Application (below).

Applicants are also encouraged to read and become familiar with the following documents before applying:

- The *Montana Mitigation System Habitat Quantification Tool Technical Manual for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. This document explains how credits are calculated for Stewardship Account grant projects.
- The *Montana Greater Sage Grouse Habitat Conservation Advisory Council Final Recommendations*, dated January 29, 2014, and other background materials available at <http://fwp.mt.gov/fishAndWildlife/management/sageGrouse/habitatConservation/>.
- The *U.S. Fish and Wildlife Service Notice of 12 Month Petition Finding*, announcing its decision not to list the greater sage grouse nationwide under the federal Endangered Species Act (i.e. the “not warranted for listing” decision); see 80 FR 59858-59942, October 2, 2015, available at <https://www.federalregister.gov/articles/2015/10/02/2015-24292/endorsed-and-threatened-wildlife-and-plants-12-month-finding-on-a-petition-to-list-greater>. Attention should be placed on portions relevant to Montana.



ADDITIONAL INFORMATION (please read before submitting an application):

How to Submit a Complete Application

All projects should be submitted on the Montana Greater Sage-Grouse Stewardship Account Grant Program Application Form in electronic format by attaching and emailing the application to sagegrouse@mt.gov. Attach additional documents and supporting information, as well. If you do not receive a confirmation email within a few days of sending the application, please send a follow up email to csime2@mt.gov.

Applications should be received via email by 11:59 p.m. on May 6, 2019. If you experience technical difficulty with the electronic submission, please contact Carolyn Sime (406-444-0554, csime2@mt.gov).

Additional Background

Grant funding is provided to implement projects that satisfy the eligibility and evaluation requirements of the Act, provide mitigation to offset development elsewhere, and which further address the primary threats to sage-grouse as identified in *Executive Order 12-2015* and by the U.S. Fish and Wildlife Service in its *12 Month Petition Finding* of “not warranted for listing” published as 80 FR 59858-59942, October 2, 2015. .

Organizations and agencies are eligible for grant funding. In addition, organizations and agencies must hold and maintain conservation easements or leases or be directly involved in sage grouse habitat mitigation and enhancement activities.

Grant recipients are required to enter into a grant agreement with MSGOT and the Program. An applicant is not a grant recipient until the grant agreement has been executed by all necessary parties. Grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act and as appropriate to the project.

Grants funds are distributed as reimbursements in most cases. This means the grantee must submit for reimbursement of expenses incurred. “Up front” funding is not allowed, unless specifically identified in a grant agreement. Similarly, reimbursement funding for activities undertaken prior to the grant agreement’s execution is not allowed.

Grant funding cannot be used to replace or supplement a grantee’s operating budget, unless the budget items directly relate to the conservation of Sage Grouse and the purpose of the grant. For example, grant funding cannot be used to obtain office space, increase a wage or salary, or for acquisition of capital goods, assets, or durable goods (trucks, GPS units, computers, software, etc.).

Depending on the project type, reports will be required. Report content and reporting interval will vary by project type and will be developed in conjunction with grantees. For example, reports for perpetual conservation easements and term leases will be required annually for purposes of monitoring compliance with the terms of the lease or easement. The content and interval for restoration or enhancement will be different.



MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS 2019 COMPLETE APPLICATION

Project Title: 54 Livestock Conservation Easement

Grant Request Amount (in \$): \$519,000

Applicant(s) Information:

Name: Brian Martin
Title: Montana Grasslands Conservation Director
Agency/Organization: The Nature Conservancy
Street / P.O. Box: 32 South Ewing
City: Helena
State and Zip: MT, 59601
Phone: (406) 431-6972
E-mail: bmartin@tnc.org

Point of Contact: (name only one individual):

Name: Brian Martin
Title: Montana Grasslands Conservation Director
Agency/Organization: The Nature Conservancy
Street / P.O. Box: 32 South Ewing
City: Helena
State and Zip: MT, 59601
Phone: (406) 431-6972
E-mail: bmartin@tnc.org

Proposal Prepared by: Leave blank if same as Point of Contact.

Name:
Title:
Agency/Organization:
Street/P.O. Address:
City: State: Zip:
Phone #: FAX #:
E-mail:

Request: Payment to escrow for easement acquisition; Reimbursement for Appraisal

Is this a multi-year project for which future grants will be sought? No **If so, explain.**

All Project Partners/Cooperators. Provide contact information for all persons, organizations, and agencies:

(A) involved in the proposed project: NRCS, Allen Persinger, USDA-NRCS Montana Assistant State Conservationist – Easement Programs; (406)587-6873

(B) who own lands in the project location: 54 Livestock Co. Inc.; Mike Goffena, president; (406) 323-2631, or



(C) who own lands for which the grant applicant is claiming project benefits.

For each identified person, organization, or agency, describe their role in the proposed project.

- NRCS, Allen Persinger – providing funding through Agricultural Land Easement Program (ALE)
- 54 Livestock Co. Inc.- selling conservation easement

Identify any MOUs, agreements, or contracts associated with the project.

- NRCS ALE Program Agreement dated 9/25/2020

Project Type - Preservation (easement or lease), Habitat Restoration, Habitat Enhancement, or Combination: Preservation (perpetual easement)

If the grant application is a Habitat Restoration or Habitat Enhancement project, is the restoration or enhancement site included within a proposed lease as a combination project in this application? Yes/No.

If No, please describe the measures in place or that would be put into place to protect the site's newly-restored or newly-enhanced habitat conservation values.

Project Narrative: Describe the project and its duration. Include the problems or threats specifically identified at the project location, what actions the project will undertake, and how such actions will address the threats and satisfy the stated goals and objectives of the project. (3 pages of narrative or less)

The Nature Conservancy (TNC) is working to complete a unique conservation project in Musselshell County. TNC is proposing to purchase a perpetual conservation easement on approximately 6,660 acres of the 54 Livestock Co., Inc. property (54 Livestock). The easement is being completed as an NRCS ALE project that will benefit Greater Sage-grouse and other wildlife species. It also has the potential to have a significant benefit to the local community. Through a multi-year engagement effort between the landowner, property lessees, Winnett ACES, and TNC, a framework was developed in which completing the easement may facilitate a sale of the property from a family-owned ranch operation to a local group of beginning ranchers.

From an ecological perspective, the property is located at the southern edge of the Musselshell Plains, a roughly one million acre area identified by the U.S. Fish and Wildlife Service, which stretches from about the northern edge of the Bull Mountains in the south to the Missouri River Breaks to the north. Characterized by expansive sagebrush grassland in the center of the state, it fully encompasses three sage grouse core areas (Musselshell, Petroleum, and Fergus) and a portion of the Rosebud Core Area. The intact sagebrush grasslands provide habitat for a suite of sagebrush-associated species, numerous declining grassland birds that occupy interspersed mixed-grass prairie, and strong populations of big game species, including pronghorn, mule deer, and elk.



54 Livestock occurs as two tracts that are separated by about one mile, with BLM and deeded land protected by a conservation easement in-between. Approximately 4,016 acres of it is in the Musselshell Core Area. This portion of the property is characterized by mostly gentle rolling terrain that contains a mosaic of sagebrush grassland, mixed-grass prairie, and planted grassland. The remaining 2,641 acres are in general habitat that is a mosaic of mixed-grass prairie, ponderosa pine woodland, planted grassland, and cropland. Completing the easement will have an outsized conservation benefit, as the private land adjoins public land and private land under conservation easement. The ranch leases approximately 1,280 acres of state land and about 1,080 acres from the of Bureau of Land Management and it adjoins approximately 1,995 acres, resulting in total conservation impact of over 11,000 acres.

The property has historically been used for livestock grazing and crop production. These uses are the most prevalent across the Musselshell Plains. While ranching is the dominant land use, significant areas of cropland are present and conversion continues, especially during periods of high commodity prices. Across the Musselshell Plains, expansion of cropland has been demonstrated to negatively impact sage grouse by both destroying and fragmenting habitat. This easement will ensure protection from future conversion and additionally, the 291 acres of cropland will be restored to a native species mix after the easement is purchased. Note that TNC is not requesting funding or support for the restoration and it is not part of the easement cost.

The conservation easement allows for continued ranching practices to sustain and improve habitat. 54 Livestock has been proactive in enhancing grazing management, having been enrolled in the NRCS' Sage Grouse Initiative. The completed agreement has allowed for implementation of deferred-rotation grazing systems and greater control of grazing distribution and utilization through cross-fencing and water developments. Stocking rates have been set based on a detailed NRCS carrying capacity assessment.

Management Relevance/Conservation Benefit: Describe the benefits to be achieved if the project is implemented. (200-word narrative or less)

The Nature Conservancy (Conservancy) is proposing to purchase a perpetual conservation easement on approximately 6,660 acres of the 54 Livestock Co., Inc. property. The easement will permanently protect approximately 4,019 acres in the Musselshell Sage Grouse Core Area and approximately 2,641 acres in general habitat. Four leks are located within 2 miles of the property and an additional 9 leks are within 8 miles of the property, according to data provided by the Montana Sage Grouse Habitat Conservation Program.

Problem / Threat Analysis: Describe the sage grouse problems/threats being addressed by the project and why the project is necessary. (Approximately 100 words)

The easement will address the following key threats: conversion to cropland, development for construction of residences or other buildings, and destruction or degradation of habitat as a result of poor land management practices, oil and gas development, construction of commercial industrial facilities and high voltage electrical transmission lines, surface mining, and other activities that would otherwise degrade or destroy habitat. The easement will ensure that the property remains as high-quality sage-grouse habitat that is managed primarily through on-going, sustainable livestock grazing. The easement allows for continued livestock grazing,



maintenance of ranch-related infrastructure (e.g. water developments, fences, and corrals), and other property management (e.g. noxious weed control and woodland management).

Project Location:

UTM Coordinates (Easting, Northing, Zone, Datum): 705353, 5163455, 12T UTM

PLSS Description (County Township Range Section/s):

Parcel A:

Township 9 North, Range 27 East

Section 2: Government Lot 4

Section 3: Government Lots 1, 2, 3 and 4; S1/2N1/2; S1/2

Section 4: Government Lots 1 and 2; S1/2NE1/4; N1/2SW1/4; SW1/4SW1/4; W1/4SE1/4

Section 9: NE1/4; S2

Section 10: N1/2

Section 11: All

Section 15: All

Parcel B:

Township 10 North, Range 27 East

Section 11: S1/2

Section 14: All

Section 15: All

Section 21: E1/2

Section 22: All

Section 23: S1/2; NE1/4; S1/2NW1/4

Section 27: W1/2

Parcel C:

Township 9 North, Range 27 East

Section 10: SW1/4

Project Location map(s): Please submit maps as attachments to this document. Be sure to include titles, labels and descriptive references.

County name/s: Musselshell

Size of Project Area:

Total acres within project boundary, or directly affected by project: approximately 6,660

Total acres indirectly affected by project (explain): about 4,355 acres. 54 Livestock leases and has management responsibilities on about 2,360 acres of public land (BLM and State of Montana). Additionally, approximately 1,995 acres of private land protected by conservation easements adjoins the property. Completing this easement will ensure continued connectivity across these ownerships.



Are there any existing surface use agreements: Yes/No

If there are existing surface use agreements, please describe the nature of the agreements, their duration, and expiration date. Does the lease contain an option to renew?

Montana Fish, Wildlife and Parks Sagebrush holds a lease on a portion of the property. Expiration date is May 11, 2029. There is no option to renew. The agreement will be subordinated to the easement.

If the participating private landowners do not own the mineral rights, are the mineral right owners known? Yes/No

54 Livestock owns 12% of the mineral rights. Unknown who owns the remainder.

Are there any existing mineral leases? Yes/No

If there are existing mineral leases, please describe the nature of the leases, their duration, and expiration date. Does the lease contain an option to renew?

Has a mineral remoteness review test been completed? Yes/No. If yes, please describe the conclusions. If no, is one is expected to be completed and if so, when would results be known?

An assessment was completed by Kari Scannella, PG Montana State Geologist for NRCS:

"Considering available information, there is a low to moderate possibility for future potential oil and gas development in and around the proposed easement. A low possibility because of the geologic possibilities (thermal immaturity) and low TOCs. Also low, because the area is sparsely explored compared to other areas of the county. Existing dry wells in the area date back to 1916 to 1960, at least those wells I examined the logs for. A moderate possibility because there are some productive wells and the science does indicate there may be isolated, sporadic productive areas."

The analysis by the NRCS Geologist met the needs for NRCS to advance the project as a "sage-grouse" ALE project.

An additional analysis requested by TNC was completed by Research Management, a private, geology consulting firm with extensive experience in oil and gas development. Research Management reported that the property has negligible potential for petroleum exploration.

Is any portion of the Project Area enrolled in NRCS Farm Bill Programs? Yes/No

If yes, please describe. For example, which NRCS program and when does the project expire? Provide the Township / Range / Section of the enrolled lands.

The property was previously enrolled in the Sage Grouse Initiative. The contract has been completed.

If there are State Trust Land parcels and /or BLM parcels within the boundary of the proposed project, do the participating landowners hold the appropriate state or federal lease, grazing or farming authorizations? Yes/No. If yes, please provide some background information about the authorization and its expiration date. If no, please provide some additional background.



- The 54 Livestock Co., Inc. property serves as the “base” property for the BLM lease. The lease is in effect and tied to the property as long as the owner meets the BLM stipulations.
- State land is under a ten year, competitively renewable lease.

Surface Land Ownership:

(check all that apply) Federal _____ State _____ Private ☒ X _____

If project will affect a mosaic of land ownerships (e.g., mix of federal, state and/or private lands), provide a breakdown for each specific owner type by acres and percent of total project area.

	Federal	State	Private	Total
Directly Affected				
Acres			6,660	6,660
Percent of Total			100%	
Indirectly Affected				
Acres	1,080	1,280	1,995	4,355
Percent of Total	25	29	46	

Project Activity Description: (check all that apply)

_____ **Reduction of Conifer Encroachment**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ **Reduction of Invasive Weeds**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ **Maintenance/Restoration/ Improvement of Sagebrush Health or Quality**

	Federal	State	Private	Total
Core Area				



Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

 X **Purchase/Acquisition of a Term Lease or Conservation Easement**

	Federal	State	Private	Total
Core Area				
Acres			4,019	
Percent of Total			60	
General Habitat				
Acres			2,641	
Percent of Total			40	
Connectivity Area				
Acres				
Percent of Total				

 Incentives to Reduce Conversion of Grazing Land to Cropland

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

 Restoration of Cropland to Grazing Lands

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

 Demarcation of Fences

	Federal	State	Private	Total
Core Area				
Miles				



Percent of Total				
General Habitat				
Miles				
Percent of Total				
Connectivity Area				
Miles				
Percent of Total				

_____ **Reduction of Unnatural Perching Platforms for Raptors**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Reduction of Unnatural Safe Havens for Predators**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Other: Briefly Explain**

	Federal	State	Private	Total
Core Area				
Number of Acres or Structures				
Percent of Total				
General Habitat				



Number of Acres or Structures				
Percent of Total				
Connectivity Area				
Number of Acres or Structures				
Percent of Total				

Modification of Fire Management to Conserve Sage Grouse Habitat or Populations (Briefly explain)

Vegetation Management: If the project involves any vegetation management, manipulation, or treatment (i.e. conifer reduction, grazing land management, sagebrush management or restoration wildfire management) complete the following. (Check all that apply.)

Mechanical Treatment _____ Chemical Treatment _____ Prescribed Fire _____
 Restoration _____ Reseeding/Planting _____ Deferred Grazing _____
 Invasive/Noxious Plant Removal _____ Other(s) (explain) _____

Identify the post-treatment management strategies to be implemented (e.g. livestock grazing plans, weed control, infrastructure maintenance, etc.). (500-word narrative or less. Attach additional information if necessary.)

Local Impacts: Describe any impacts or benefits to the local communities, including socioeconomic impacts or benefits. (200-word narrative or less. Attach additional information if necessary.)

The easement is key to potentially creating an opportunity for a group of producers early in their ranching careers to collectively acquire and manage the property. Currently, four producers are running livestock in-common and cooperatively managing the property through an annual lease. As we understand it, the plan in-place by the early career ranchers and the current owners is to complete the purchase/sale once the easement is finalized, since it will reduce the price to a level more amenable for ranching. This project is an example of how conservation easements can help family ranches sell to other locally based owners and help maintain stable and sustainable ranch-based economies.

Other Benefits: List and describe any other benefits that will be achieved from the project. (e.g. educational, economic, research, public access, other environmental or conservation services, etc.)

Expected duration of effects from proposed project: Check the appropriate box.
 _____ 1-15 years; _____ 15-20 years; _____ 20-25 years; _____ 25-30 years; _____ 30-35 years; _____ 35-40 years; _____ 40-45 years; _____ 45-50 years; X in perpetuity.



If the expected duration is in perpetuity, please explain how the applicant and project participants will legally and physically ensure perpetual protection of the proposed habitat project and its benefits.

TNC will place its own privately raised funds into a stewardship endowment that pays for annual monitoring costs, annual on-site monitoring, annual or more frequent engagement with landowners, and yearly report generation of property use and condition compared with consistent and inconsistent uses of the easement. TNC meets all the best practices for conservation easement stewardship and enforcement and has been accredited by the Land Trust Alliance.

If the expected duration is a term of years, please explain how the applicant and project participants will ensure protection of the proposed habitat project and its benefits.

Total Montana Greater Sage Grouse Stewardship Account Funding Request:

Cash \$ 519,000

Percentage of Total Project Cost 25 %

Narrative Details for Matching Funds: list all sources of matching funds or in-kind contributions, the amount, whether such funds are in-hand or committed, and any limitations on the use of such funds.

Source	Amount	In-kind Cash?	or In-hand Committed?	Any Limitations?
NRCS ALE	\$1,500,000	Cash	Committed	Must meet NRCS grant requirements.
TNC private funds	\$12,582	Cash	In-hand	

Narrative explanation of whether matching funds are in-hand, committed, or have been applied for through other granting opportunities. If not in-hand at the time the application is submitted, please address timeline for when decisions regarding the other granting opportunities will be made and communicated to applicants.

- NRCS funds are committed and will be wired by the agency to the closing. TNC is a NRCS “certified entity”, which allows for faster closings.
- TNC is providing funds to complete the minerals remoteness review, title commitment, environmental hazards assessment search, closing costs, and stewardship endowment.

For in-kind contributions, explain basis and method for valuation:



- TNC will be completing the Easement Documentation Report and Environmental Hazards Assessment internally, but is not submitting the staff time, travel, and materials as an in-kind contribution.

For cash match that is committed but not yet in-hand, explain the circumstances of the commitment, the date committed, and if cash, when the cash will become available:

If including any project monitoring or stewardship costs, please explain how the budget item listed in the tables below directly relate to the purposes of the grant. [Grants may not be used to supplement or replace the operating budget of an agency or organization except for budget items that directly relate to the purposes of the grant. § 76-22-110(4), MCA.]

Restoration or Enhancement Project Costs / Budget (Complete the table below if the application is for restoration or enhancement projects; if restoration or enhancement areas would also be included in a lease or conservation easement, separate out project costs / budget accordingly by completing both this table and the one below.)

Item	Cash Contribution	In-Kind Contribution	Stewardship Account Request	Total
Project Planning and Design				
Contractor Costs				
Permitting				
Other				
Project Implementation				
Contractor Costs				
Supplies/Materials				
Equipment Costs				
Salaries/Labor				
Other				
Project Monitoring				
Operation and Maintenance				
Total Cost Estimate				



Term Lease or Conservation Easement Project Costs / Budget (Complete the table below if the application is for a term lease or conservation easement; if a term lease or conservation easement project would also include restoration or enhancement activities, separate out project costs / budget accordingly by completing both this table and the one above.)

Item	Cash Contribution	In-Kind Contribution	Requested Contribution	Total
a. Project Planning and Design				
Engineering Applicant				
Contractor				
Landowner				
Baseline Inventory Report (Environmental Documentation Report) Applicant				
Contractor				
Environmental Hazards Assessment	\$732			\$732
Survey				
Mineral Report Applicant				
Contractor	\$600			\$600
Appraisal			\$19,000	\$19,000
Title Commitment	\$750			\$750
Title Insurance				
Mortgage Subordination				
Resolution of Legal Access				
Land Trust Transaction Fee				
Appraisal				
Closing and Recording Fees	\$500			\$500
Other Expenses				
Sub-Total				
b. Project Implementation				
Manpower Applicant				
Contractor				
Landowner				
Equipment Applicant				
Contractor				
Landowner				

Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Perpetual Easement Stewardship Fee / Endowment	\$10,000			\$10,000
Total Easement Value	\$1,500,000		\$500,000	\$2,000,000
Other				
Sub-Total	\$1,502,582		\$519,000	\$2,031,582
c. Project Operation/Maintenance				
Manpower				
Applicant				
Contractor				
Landowner				
Equipment				
Applicant				
Contractor				
Landowner				
Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Monitoring Stewardship				
Other				
Sub-Total				
d. GRAND TOTAL	\$1,502,582		\$519,000	\$2,031,582

If a Conservation Easement, Summary of Acquisition Budget:

Appraised Value of Conservation Easement: Appraisal in progress, maximum \$2,000,000 purchase price, landowner will donate any additional value above \$2,000,000.

Landowner Donation: _____

Other Donation: _____

Purchase Price: maximum \$2,000,000

Source of Easement Funds: (list all sources)

Stewardship Account: \$500,000 (if appraisal is less than \$2,000,000, account request will be reduced so that no more than 25% match is used for the easement purchase price).

NRCS: \$1,500,000 (if appraisal is less than \$2,000,000, no more than 75% of the purchase price will be available through the NRCS grant).

Other: _____



Other: _____

Project Readiness / Implementation Schedule: List time line including month and year when project is expected to be initiated and completed.

Month/Year overall project begins: February 2020

Month/Year overall project ends: Estimated April 2021

Month/Year Stewardship Account Grant funding would begin: December 2020 (appraisal payment)

Month/Year Stewardship Account Grant funding would end: estimated April 2021 (closing)

Likelihood of Implementation: Have all necessary permits/approvals been obtained? Projects judged unlikely to be implemented may be given lower priority.

PERMIT OR AUTHORIZATION	REQUIRED		SUBMITTED		APPROVED	
	Yes	No	Yes, Date	No, date expected	Yes, Date	No, date expected
Cultural Resource Inventory		X				
COE Section 404 Permit		X				
Cooperative Agreement(s)	X				09/25 /2020	
*NEPA Analysis		X				
Pesticide Application Permit		X				
Private Landowner Agreement(s)		X				
Sensitive Species Clearance		X				
Surface/Ground Water Permits		X				
T/E Species Clearance		X				
Others (explain)		X				
County Planning Authority CE Review	X			December 2020		March 2021

***If NEPA is Required:** What is the type of NEPA analysis required: Environmental Impact Statement (EIS); Environmental Assessment (EA); Categorical Exclusion (CE); Biological Assessment/biological Evaluation (BA/BE); etc.? What federal agency will conduct the analysis and who is the primary agency contact? What is the estimated submittal and approval dates?



Project Timeline and Estimated Completion Date. (Explain, 200 words or less)

The project is in-progress. A grant agreement has been signed by NRCS. An appraisal site visit by TerraWestern Associates has been completed, with an appraisal anticipated in late December or January. Field visits for the Easement Documentation Report and Environmental Hazards Assessment have been completed and reports are in-progress. We anticipate finalizing the conservation easement terms in November and submitting for Musselshell County Planning Authority review by early December, with approval no later than 90 days after the submission date. TNC will enter into a purchase and sale agreement in January (after receipt of the appraisal) and we anticipate closing the easement by April 30, 2021.

Project Monitoring Plan: All projects require monitoring to determine effectiveness relative to the statutory purposes of the Act to conserve sage grouse habitat and populations. Identify what monitoring program and protocols are in place or will be put in place to assess and quantify the results achieved by the project. Identify those responsible for monitoring. Include both short-term and long-term monitoring. A Project Close-out Report may be required for each project upon completion, to allow tracking of expenditures and attainment of results. Photos, summaries, etc. may be required. If a monitoring plan has not yet been developed, the Sage Grouse Habitat Conservation Program will work collaboratively with successful applicants to develop a plan. (Approximately 2 pages of narrative or less. Attach additional documentation if needed.)

TNC will provide the state with a recorded copy of the conservation easement, baseline report, and associated documents. Annual compliance monitoring of the conservation easement will be conducted in perpetuity.

Attachments and Supporting Documentation. (Required documentation and supporting materials will vary by project type, but check all that are available at the time of submitting a complete application. The Program may contact grant applicants for additional clarification.)

- ☒ Project Design / Maps
- ☒ Final Spatial Data
- ☒ Letters of Support
- ☐ Site Management or Stewardship Plan
- ☐ Grazing Plan, if applicable
- ☐ Restoration Plan, if applicable
- ☐ Enhancement Plan, if applicable
- ☒ Draft Term Lease or Conservation Easement with terms, if applicable
- ☒ Mineral Remoteness Review Report for perpetual conservation easements
- ☒ Market Appraisal for perpetual conservation easements
- ☐ Site Monitoring Plan
- ☒ *Stewardship Account Term Lease / Conservation Easement Acknowledgement* (see below; include as many signatory pages as there are project participants)
- ☐ *Stewardship Account Restoration or Enhancement Project Acknowledgement* (see below; include as many signatory pages as there are project participants)



_____ Budget
_____ MOUs and other Agreements
_____ Other (list): _____

For those attachments and supporting documentation that are not available at the time of submitting a complete application, indicate when they will become available:

Additional Information for Consideration.



GENERAL ACKNOWLEDGEMENT, ALL PROJECTS

Please initial each verification or acknowledgment and sign below.

X All Applicants verify that they have read the *Application Information and Guidance* document before filling out this application.

X All Applicants verify that they have read Executive Order 12-2015, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage Grouse Habitat Conservation Program.

X All Applicants acknowledge that grant recipients are required to enter into a grant agreement with MSGOT and the Program, and that an applicant is not a grant recipient until a grant agreement has been executed by all necessary parties. Such grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act.

X All Applicants acknowledge that MSGOT will prioritize grant awards for projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. Such assurances may be included in the grant agreement but will be included in other project documents.

X All Applicants acknowledge that applications to the Grant Program do not constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015, and any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must still be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to its procedures or process.

X (If this Application seeks grant funding for a conservation easement or a term lease) All applicants verify that all parties to the term lease or conservation easement have read and signed the attached the *Stewardship Account Term Lease / Conservation Easement Acknowledgement Form*. Include as many copies as there are project participants.

____ (If this Application seeks grant funding for a restoration or enhancement project) All applicants verify that all parties to the project have read and signed the attached the *Stewardship Account Restoration or Enhancement Project Acknowledgement Form*. Include as many copies as there are project participants.

Signature: 

Printed Name: Brian Martin

Title: Montana Grasslands Conservation Director

Date: 10/19/2020



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

All parties to the proposed term lease or conservation easement must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor, and every land trust or holder of the conservation easement. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any lease or conservation easement selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the applicable lease or conservation easement agrees through the grant agreement and the lease or easement document to establish the State of Montana as a third-party beneficiary to the lease or easement with a contingent right to enforce the terms of the lease or easement if the grantee fails to do so.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree through the terms of the lease or conservation easement that the lease or conservation easement may not be transferred for value, sold, or extinguished without consent of the State of Montana or its agents.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree that the lease or conservation easement will recognize the State of Montana or its agent's right to take legal action to enforce the terms of the lease or easement or to recover from the proceeds of the transfer for value, sale, or extinguishment the state's pro rata share of the proceeds based on the funds the state provided pursuant to this part for the creation of the lease or easement.

The signatories further acknowledge that MSGOT will retroactively calculate, own, and make available credits for leases and conservation easements purchased with grant funds using the most current version of the Habitat Quantification Tool and the Policy Guidance documents and applicable state laws.

The signatories further acknowledge that monitoring reports will be required. The content and reporting interval will be developed collaboratively between the grant recipient and the Montana Sage Grouse Habitat Conservation Program. Reporting requirements will be tailored the project.

The signatories further acknowledge that grant recipients and the Montana Sage Grouse Habitat Conservation Program will collaboratively develop and agree upon the schedule or frequency of payments from the Stewardship Account. The schedule will be included in the grant agreement.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program or its agents can inspect the lands and verify the credits created from lands included within the term lease or conservation. At all times, the state will seek to make arrangements well ahead of time, provide reasonable prior notice, and will not interfere with the landowner's use and enjoyment of the land.


The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program will work with the grant recipient and participating landowners to develop a credit site mitigation plan. The plan will describe the credit estimation, verification, and



monitoring processes. In most cases, existing stewardship plans, grazing plans, or similar will suffice and the mitigation plan will recognize them, while setting out the credit details of the site.

The signatories further acknowledge that term leases should be filed in the county of record, similar to perpetual conservation easements.

The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the lease or conservation easement and otherwise allow the State of Montana or its agents to protect its interests as third-party beneficiaries to the lease or conservation easement.

Signature:	
Printed Name:	<u>Brian Martin</u>
Title:	<u>Montana Grasslands Conservation Director</u>
Role in the Project (owner, land trust, etc.):	<u>Land Trust</u>
Date:	<u>10/19/2020</u>

STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

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Signature:

Printed Name:

Title:

Role in the Project

(owner, land trust, etc.):

Date:

54 Livestock Co., Inc

Mike Goffene president

Mike Goffene

president of 54 Livestock Co., Inc

owner

10/17/20



October 30, 2020

Montana Sage Grouse Habitat Conservation Program
Department of Natural Resources and Conservation
PO Box 201601
Helena, MT 59620

RE: Request for MSGHCP funding support for 54 Livestock Inc. property conservation easement.

To whom it may concern,

Winnett ACES, Inc. (Agricultural, Community, Enhancement & Sustainability) is providing this letter of support for the proposed conservation easement on the 54 Livestock Company Inc. property. Winnett ACES has committed hundreds of staff and volunteer hours in the effort and development of framework for supporting the sale of this property from a family-owned ranch operation to a local group of beginning ranchers.

Supporting the beginning ranchers with in the Musselshell Plains is at the core of the Winnett ACES Mission and Vision:

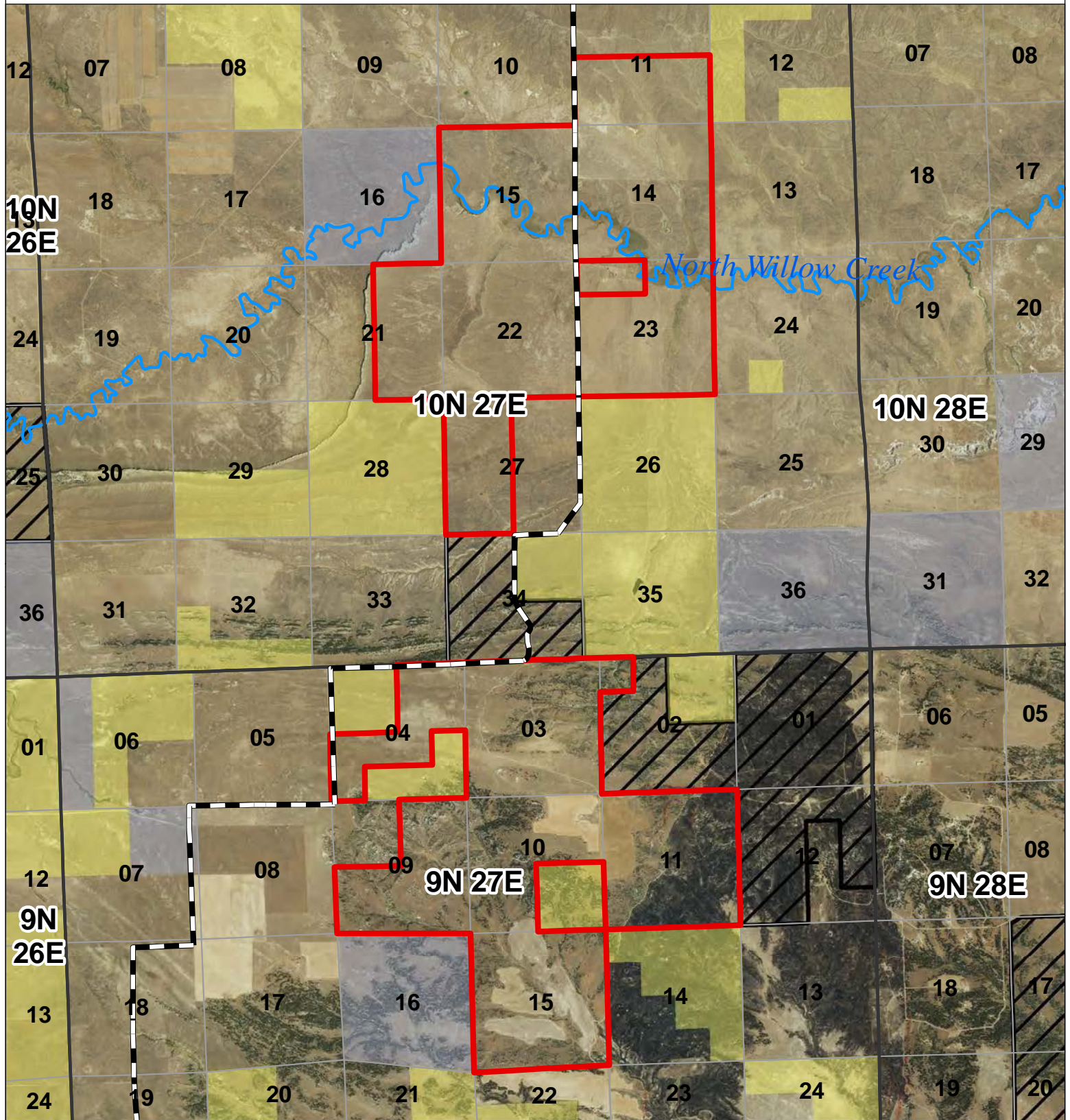
- Mission: Strengthening our community by sustaining the health of our land, economy, and traditions for future generations.
- Vision: provide opportunities for local residents that benefit agriculture, conservation, and the community, while educating the larger public and helping future generations succeed in agriculture.

This easement will allow for the conservation of approximately 4,019 acres of Musselshell Sage Grouse core habitat and approximately 2,641 acres in general habitat and a variety of other wildlife species habitat. Winnett ACES supports the 54 Livestock Inc. project as proposed and believes it will provide long-term benefits to the Greater Sage Grouse and a variety of other wildlife species in the area as well as help strengthen our community by sustaining the health of our land, economy, and traditions for future generations.

Winnett ACES appreciates The Nature Conservancy's efforts to protect and enhance wildlife habitat while providing opportunities to our beginning ranchers. This project will have positive impacts and is worth your consideration for funding. Please feel free to contact me for any further information.

Sincerely,

Brent C. Smith - Coordinator
Winnett ACES
(406) 599-5210



54 Livestock Co., Inc.



Gage Road (County Road)



US Bureau of Land Management

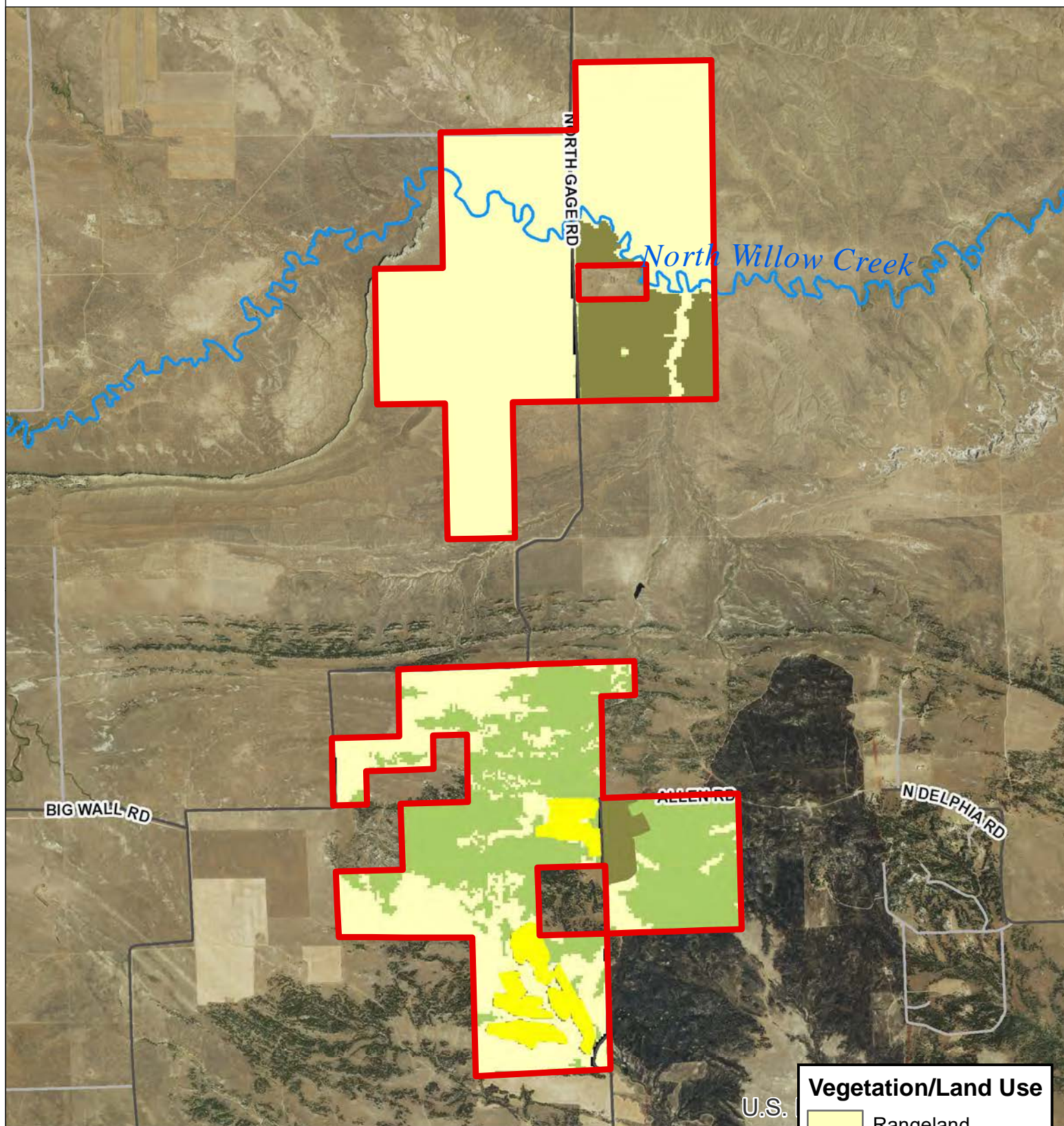


State of Montana



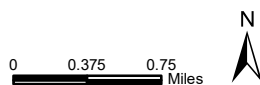
Conservation Easement









 54 Livestock Co. Inc.

Data Source: MSDI Landcover, modified based on TNC field reconnaissance

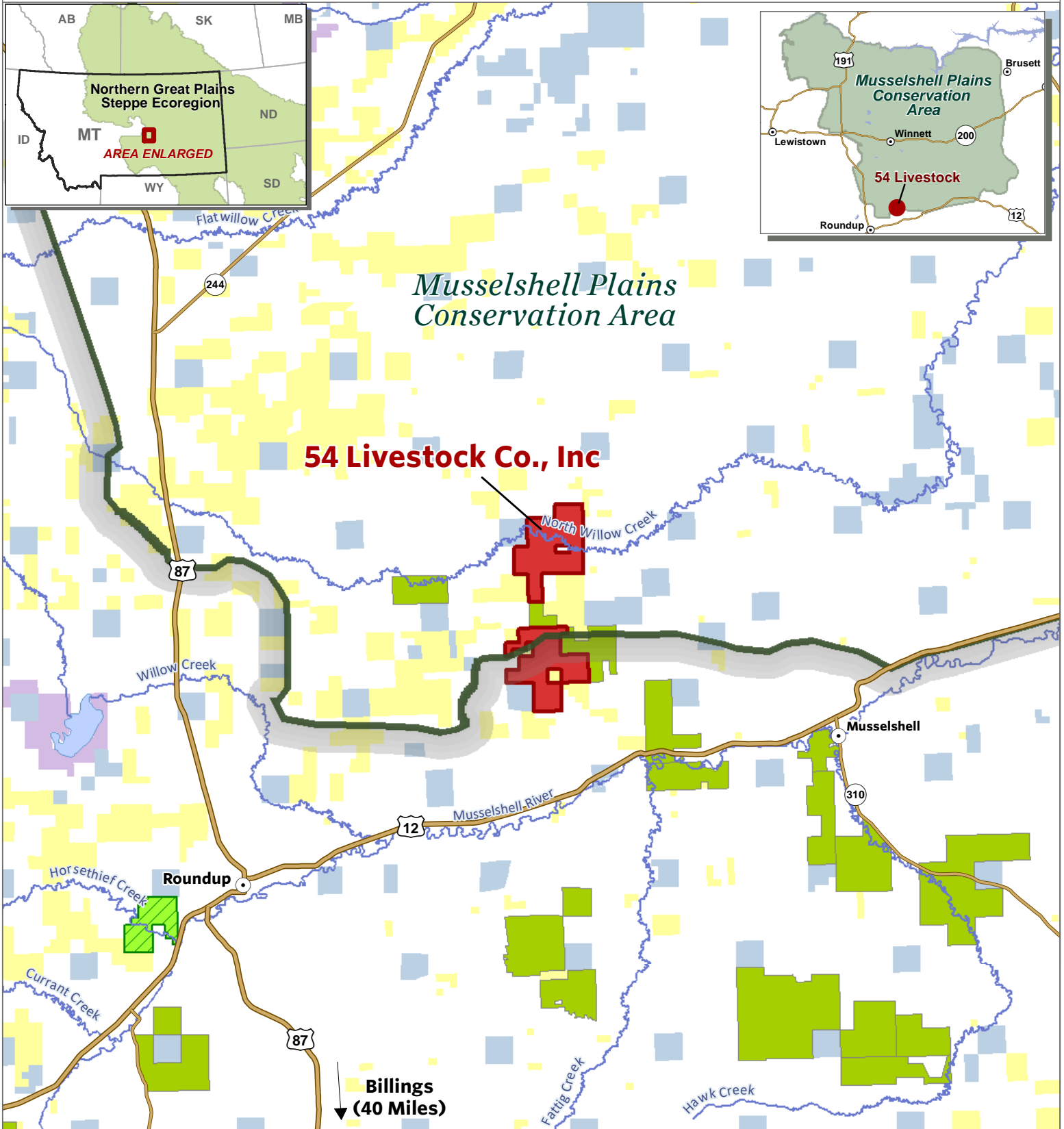


Vegetation/Land Use

-  Rangeland
-  Pastureland
-  Pine Woodland
-  Cropland

Musselshell Plains (54 Livestock Co., Inc)

Musselshell County, MT - Northern Great Plains Steppe Ecoregion



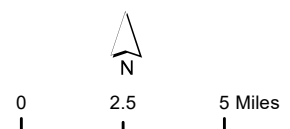
54 Livestock Co., Inc Musselshell Plains Conservation Area

State Trust Lands
US Bureau of Land Management
US Fish & Wildlife Service

Conservation Easements
The Nature Conservancy
Montana Land Reliance

7/24/2020

Map created by:
Amy Pearson
Data Sources:
MT State Library



1:300,000

Alexander Ranch

Alexander Ranch Conservation Easement Project Analysis			
	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Total Acres included in Easement Area	679	44,787	325,553
Core Acres	6	15,885	129,508
General Acres	673	16,726	65,461
Connectivity Acres	0	0	0
Outside Habitat	0	12,176	130,584
Percent Core	1%	35%	40%
FWP Lek Count (May be other Leks present)	0	1	9
FWP Total Male Count (Most Recent)	0	10	109
FWP Avg. Male Count	0	10	12
Project Cost/Acre	\$732.12	NA	NA

Conservation Status	Project Area	4 Mile Buffer (%)	12 Mile Buffer (%)
Percent Public (MT FWP, STL, BLM, US Bureau of Reclamation, USFS)	0%	67.10%	57.15%
Percent Private Conservation	0%	0%	0%
Percent Managed Areas (Beaverhead - Deerlodge National Forest, BLM, MT FWP)	0%	39.48%	38.85%
Percent Conservation Easement (MLR, TNC)	0%	0%	0.58%
Total in Conservation	0%	67.60%	57.80%
Not in Conservation	100%	32.40%	42.20%

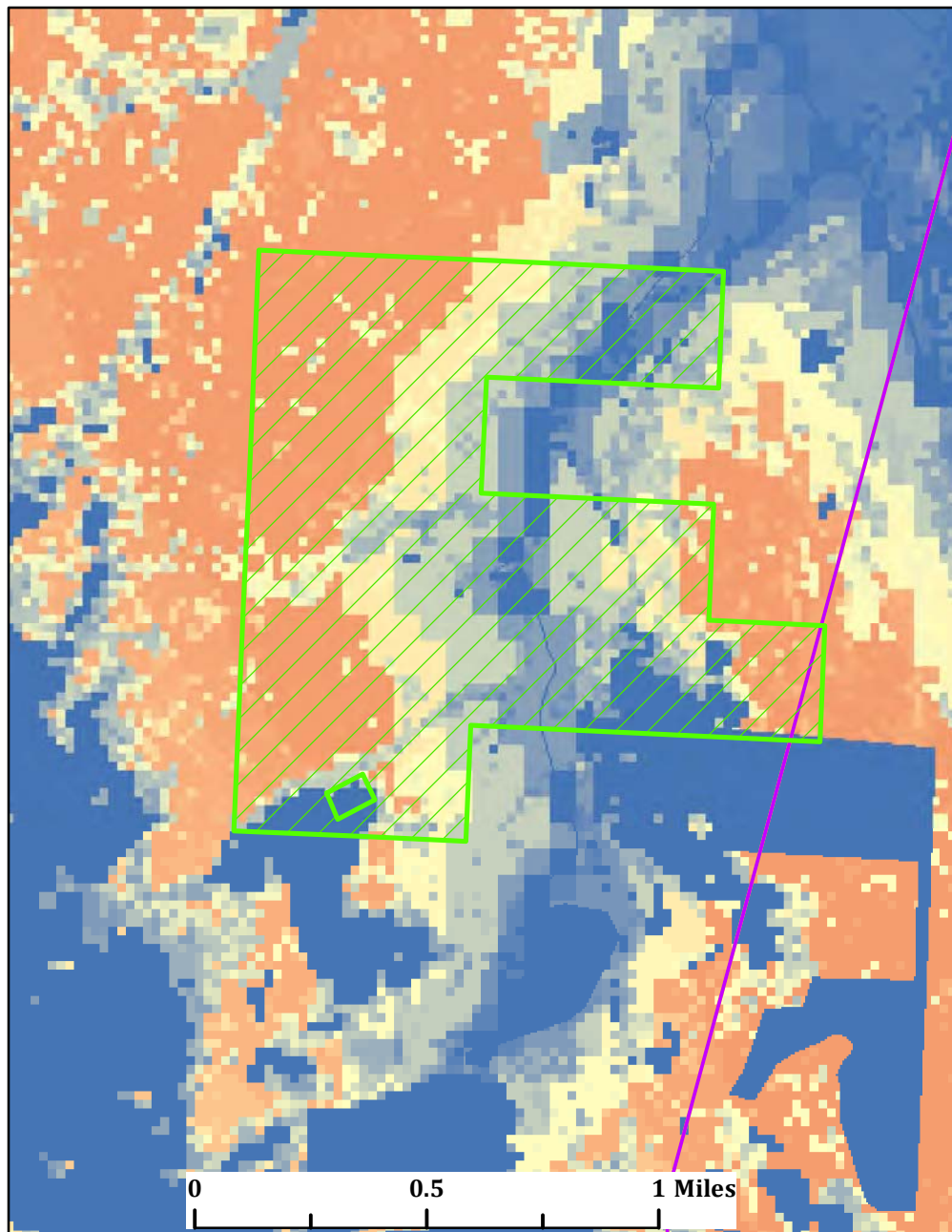
Some Managed Areas are also Public Lands.

Lek Vulnerability	Project Area	4 Mile Buffer	12 Mile Buffer
No Data	0	0	0
0 - 10%	0	1	9
10.1 - 25%	0	0	0
25.1 - 50%	0	0	0
50.1 - 75%	0	0	0
75.1 - 100%	0	0	0

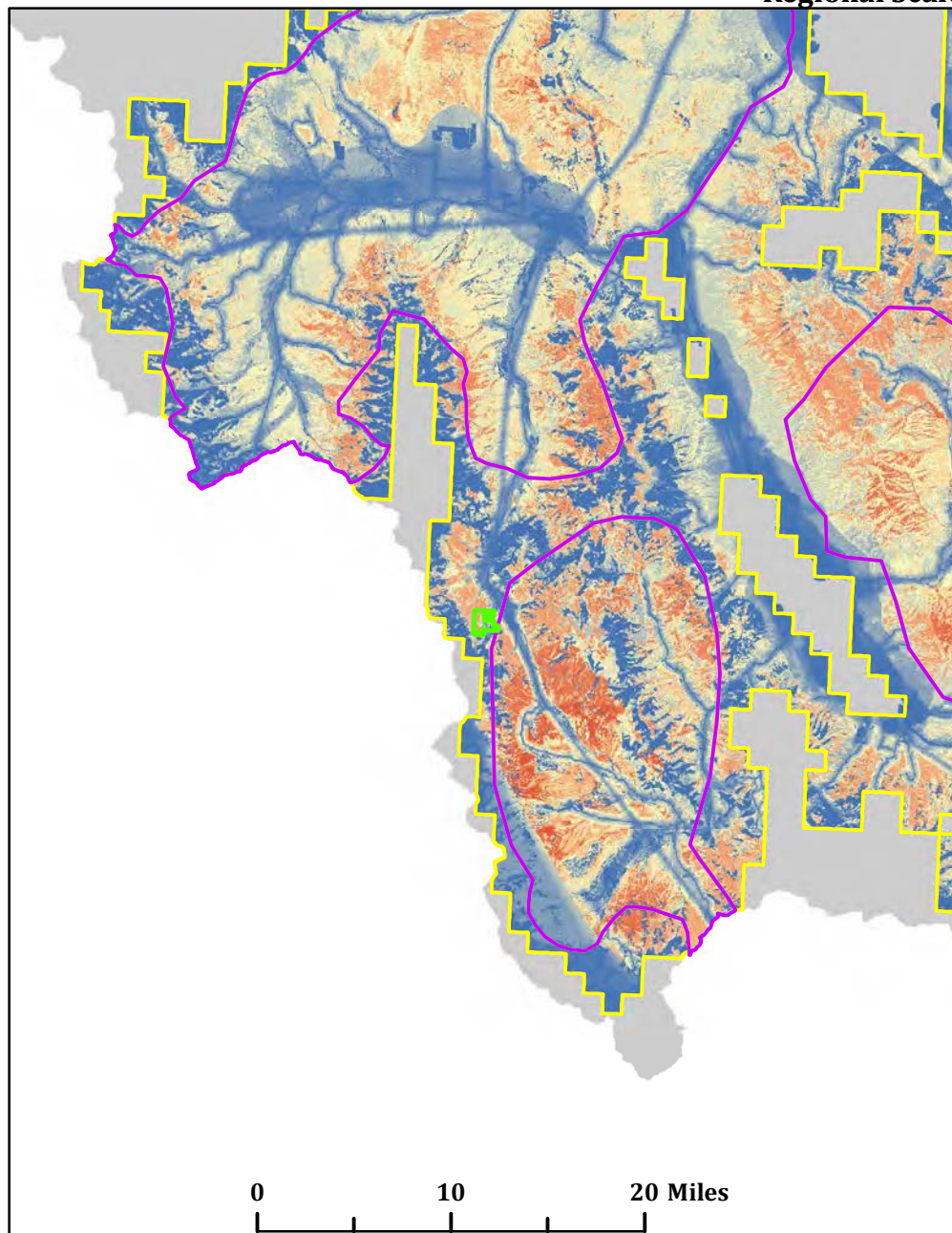
Existing Disturbance Composition (Percent Area)	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Building	0.00%	0.02%	0.01%
Crop	0.00%	0.57%	0.28%
Livestock Area	0.22%	0.01%	0.01%
Power Line	0.00%	0.09%	0.03%
Road	0.39%	0.20%	0.11%
Stock Pond	0.00%	0.002%	0.001%
Storage Yard	0.00%	0.01%	0.01%
Other	0.34%	0.34%	0.06%

HQT Results: TNC - Alexander Ranch

Local Scale



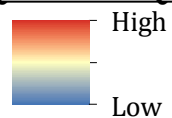
Regional Scale





Project HQT Metadata

HQT Date: 17 Sept. 2020
Years Maintained: 100 Years

HQT Habitat Quality



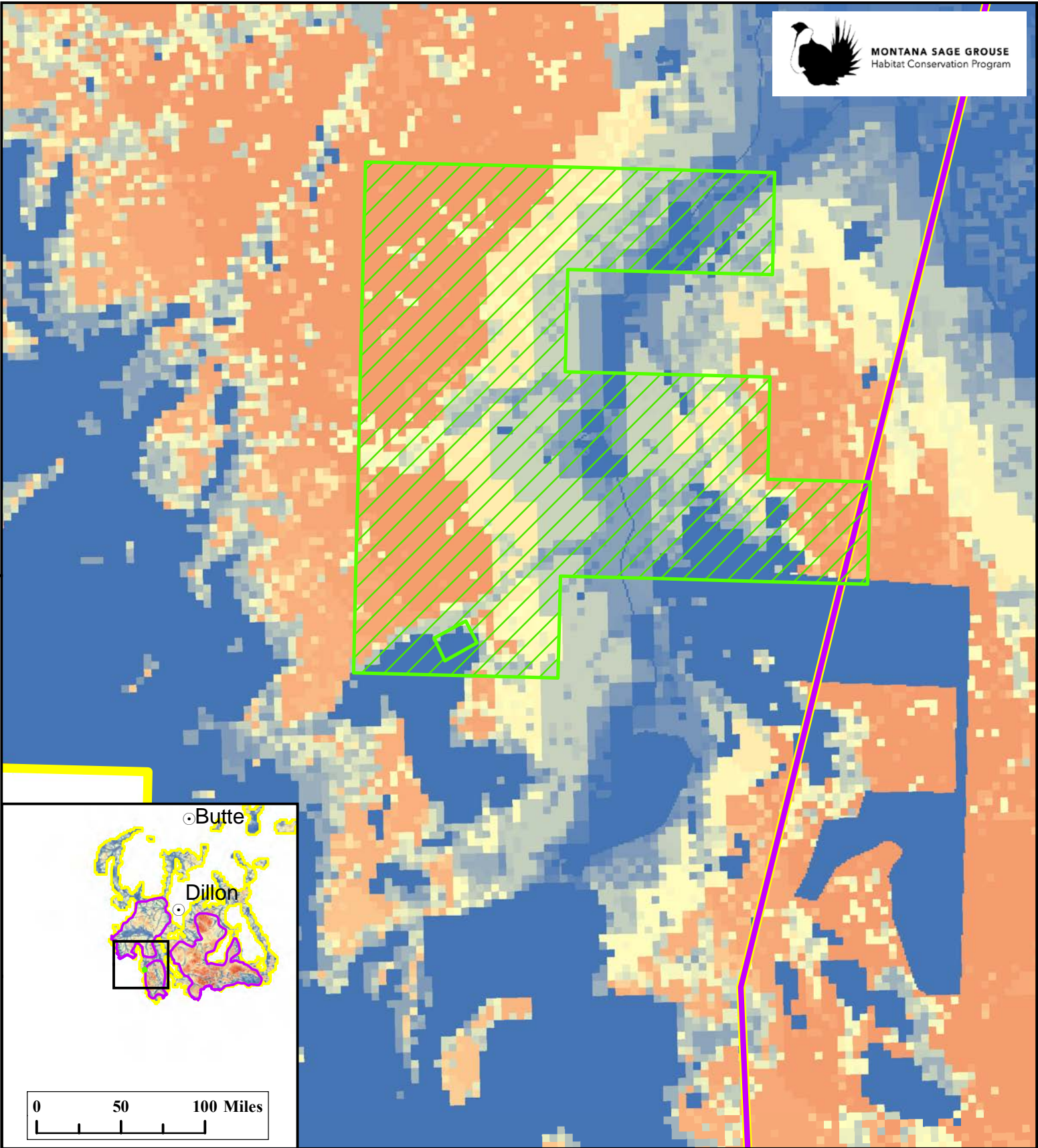
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

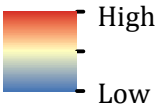
HQT Results: TNC - Alexander Ranch



Project & HQT Information

Date of HQT Results: 17 Sept. 2020
Number of Years: 100 Years

HQT Habitat Quality



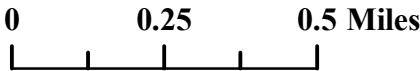
Project Direct Footprint

Core Area

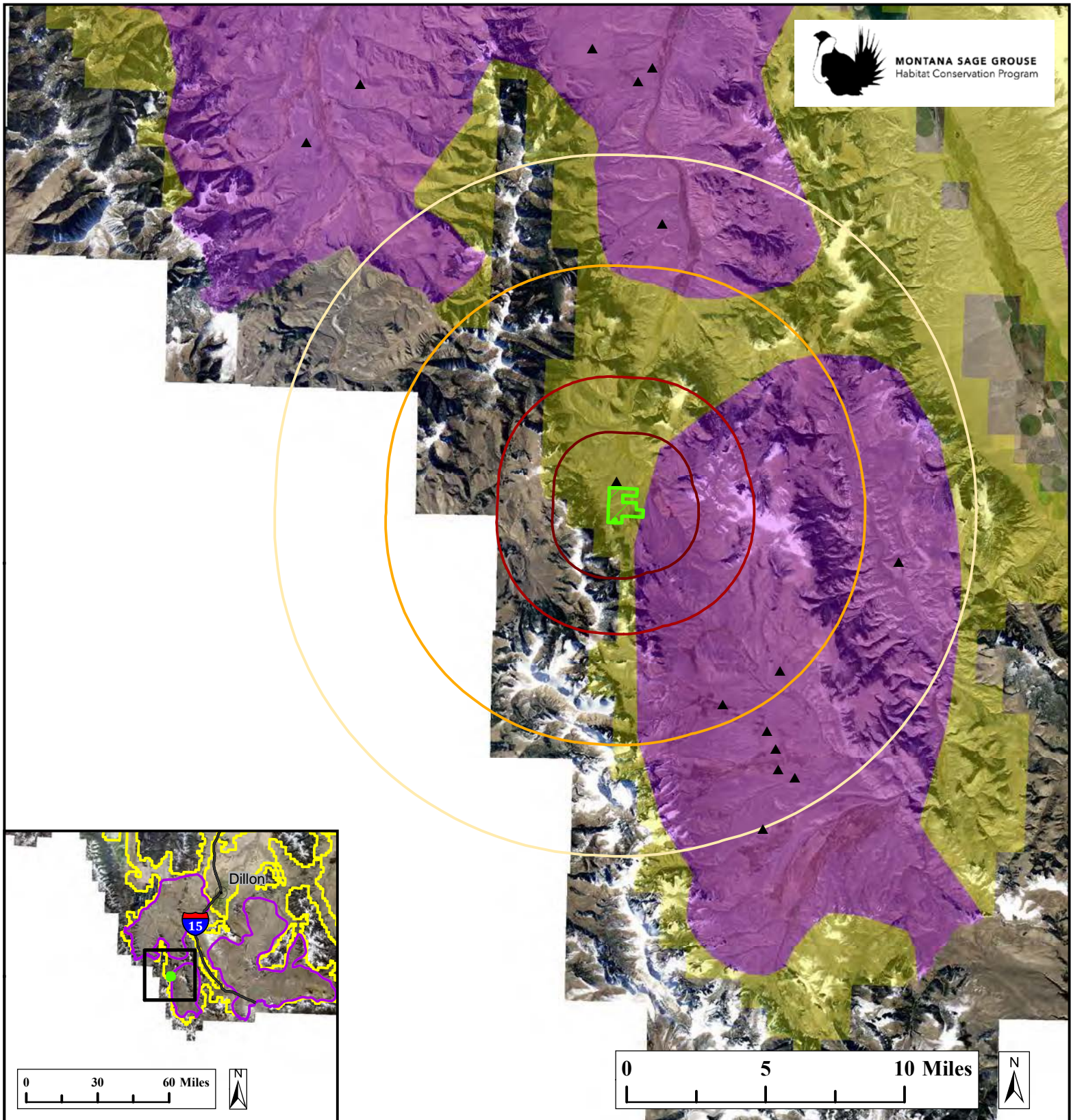
General Habitat



Major Towns



Alexander Ranch TNC Conservation Easement- Lek Proximity



Project Information:

Map Date: 22 October 2020
 PathFile:G:\CARD\10 Sage Grouse HCP\
 Grant Program\Third Cycle - November
 2020\GIS\Alexander - TNC\maps
 ProximityToSGLeks.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
 Aerial Photography Field Office.

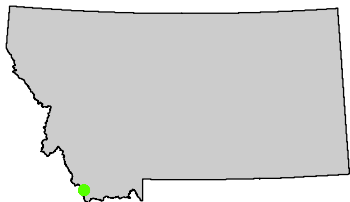
▲	ActiveLeks		Buffer Distances		# Leks Within Buffer
	Project Boundary		2 Mile Buffer		2 Mile: 1
	Core Area		4 Mile Buffer		4 Mile: 1
	General Habitat		8 Mile Buffer		8 Mile: 3
	Connectivity Area		12 Mile Buffer		12 Mile: 9

Alexander Ranch TNC Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program

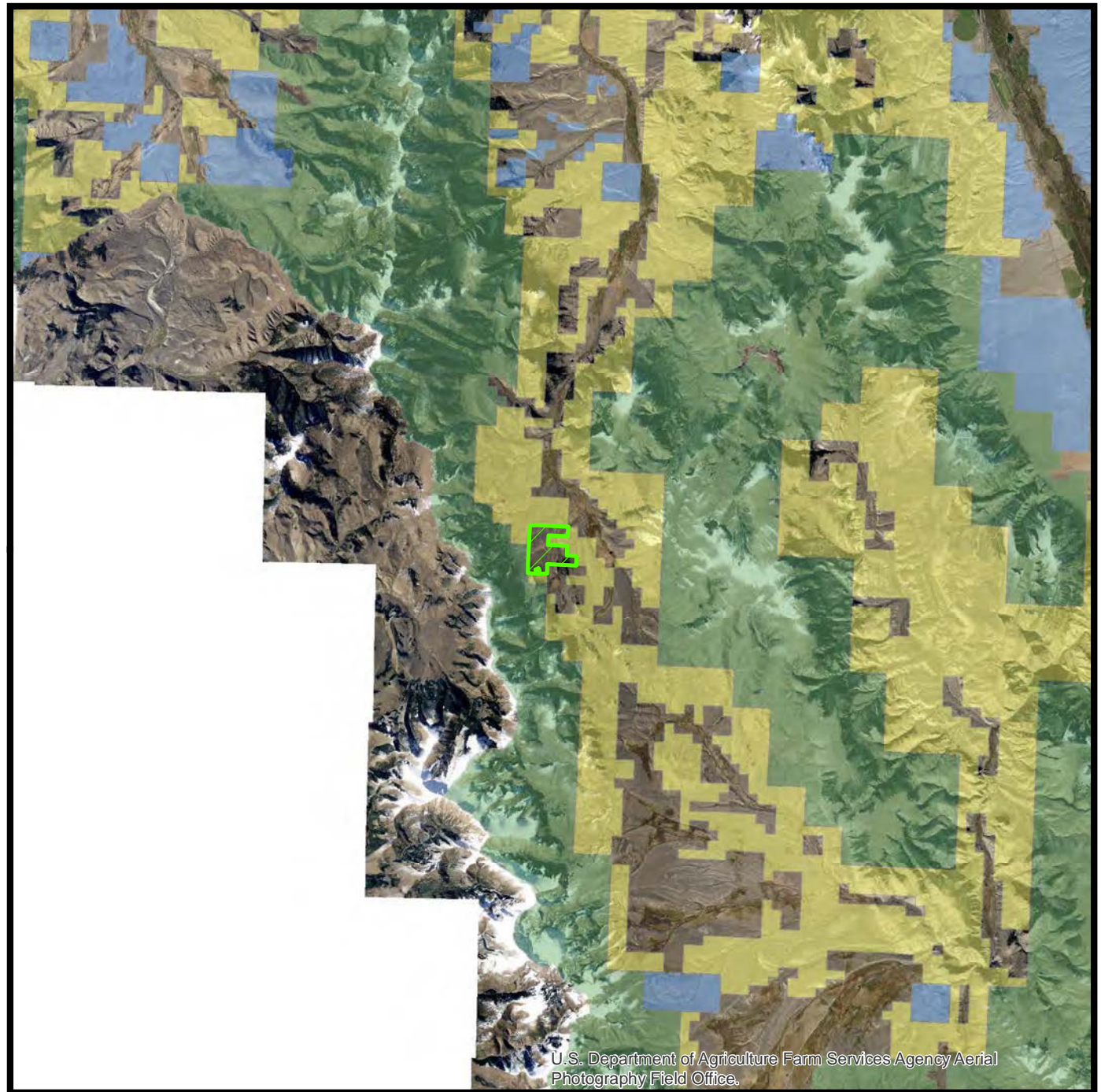
-  **Project Boundary**
-  **Montana State Trust Lands**
-  **US Bureau of Land Management**
-  **US Forest Service**



Project Information:

Map Date: 22 October 2020
Path File: G:\CARD\10 Sage Grouse HCP\
Grant Program\Third Cycle - November 2020\
GIS\Alexander - TNC\maps
publicLands_landscape.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.

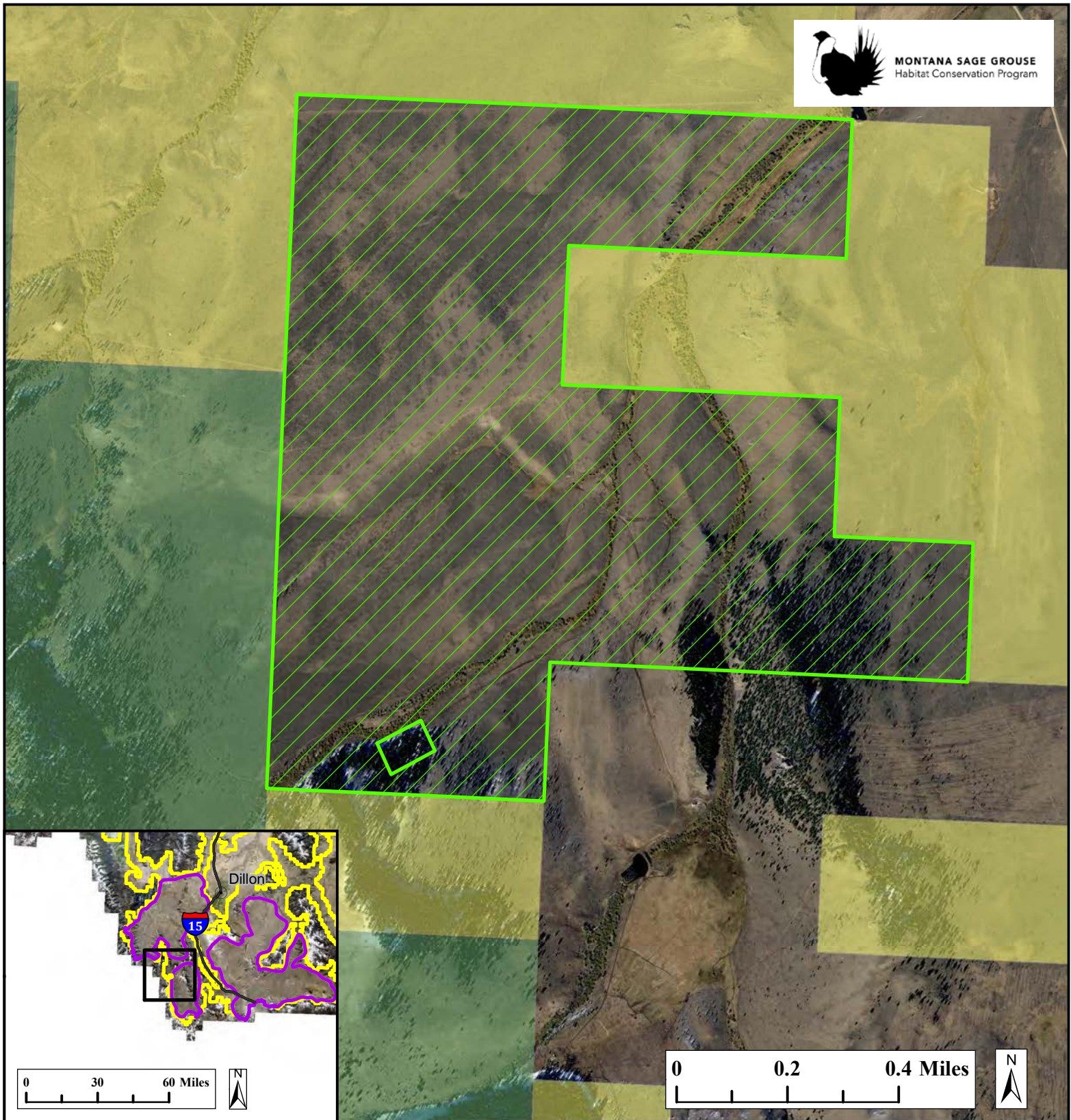


0 7.5 15 Miles

Alexander Ranch TNC Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program



Project Information:

Map Date: 22 October 2020
PathFile:G:\CARD\10 Sage Grouse HCP\Grant
Program\Third Cycle - November
2020\GIS\Alexander - TNC\maps
PublicLandDDPs.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



Project Boundary



Core Area



General Habitat



Connectivity Area



US Bureau of Land Management



US Forest Service

Percentage Conserved Lands within 4 Miles of the Alexander Ranch Conservation Easement (The Nature Conservancy)













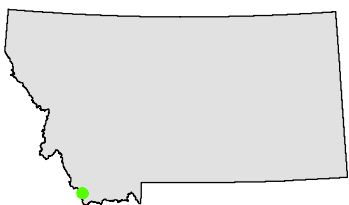
MONTANA SAGE GROUSE
Habitat Conservation Program

Project Information

-  Direct Project Footprint
-  Conserved Lands

Percent of Conserved Lands within 4 Miles of Project Area

-  0% - 10%
-  10.1% - 20%
-  20.1% - 30%
-  30.1% - 40%
-  40.1% - 50%
-  50.1% - 60%
-  60.1% - 70%
-  70.1% - 80%
-  80.1% - 90%
-  90.1% - 100%

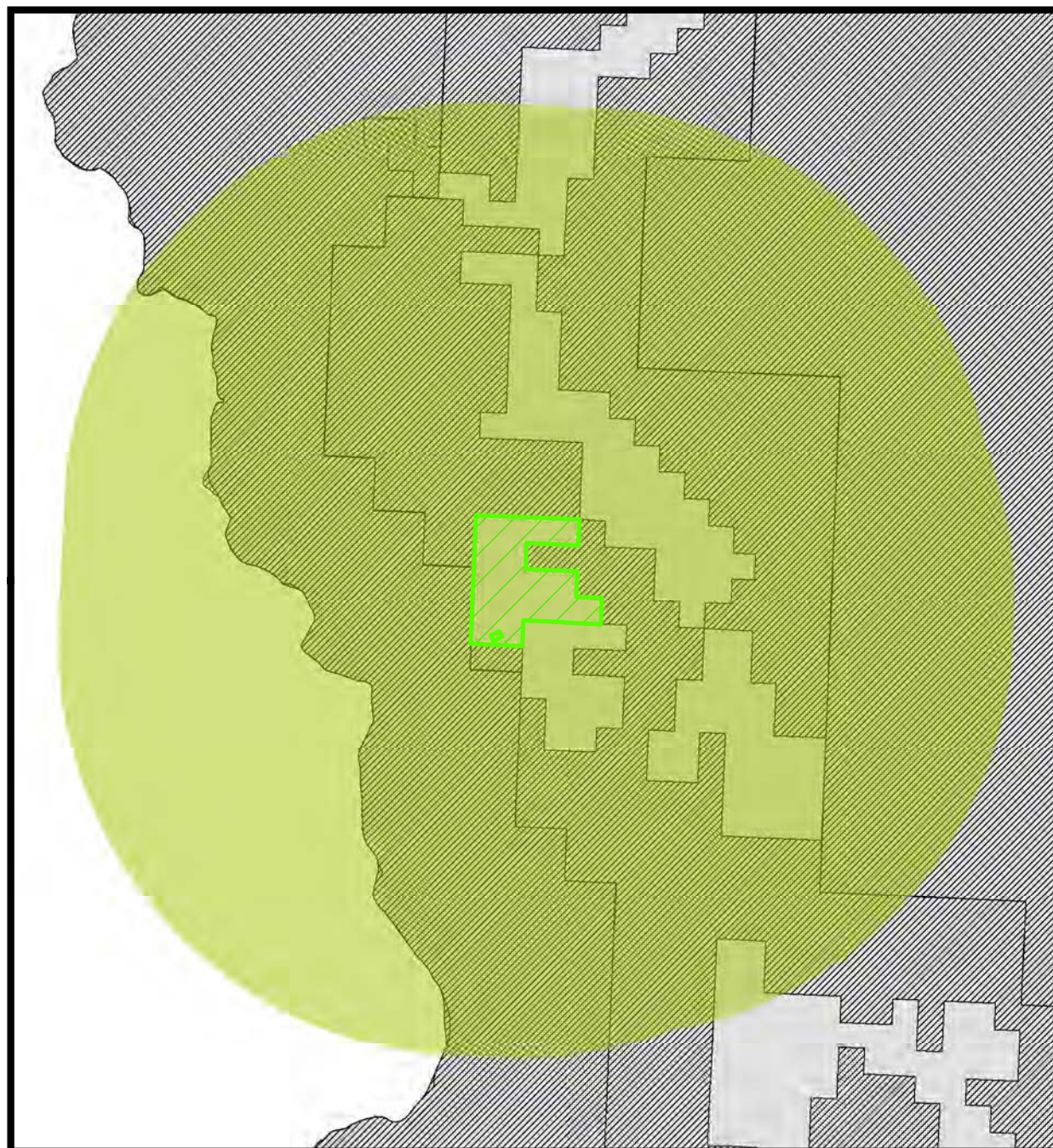


Map Information:

Map Date: 25 October 2020

File Path: G:\CARD\10 Sage Grouse
HCP\Grant Program\Third Cycle - November
2020\GIS\Alexander -
TNC\maps\4MileConservedLands.mxd

Land Management Dataset from: <http://mtnhp.org/stew.asp>



0 2.5 5 Miles



MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS COMPLETE APPLICATION

INTRODUCTION

Thank you for your interest in sage grouse conservation in Montana. Montana's goal is to conserve sage grouse and sage grouse habitats, to maintain viable populations and habitats, and maintain the flexibility to manage our own lands our wildlife, and our economy. In doing so, Montana can show that listing under the federal Endangered Species Act is not warranted in the future.

Habitat conservation is an important part of Montana's Sage Grouse Conservation Strategy. Montana recognizes the important role private landowners have played in conserving sage grouse and habitat through their land stewardship. Private landowners will continue to play an important role in conservation efforts going forward.

Montana has adopted an "all hands, all lands" approach where we work together collaboratively to address all threats. The Greater Sage Grouse Stewardship Fund is an opportunity to collaborate on sage grouse conservation.

PURPOSE OF THE GRANT PROGRAM

The purpose of the Montana Greater Sage-Grouse Stewardship Act ("Act") is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that emphasize maintaining, enhancing, restoring, expanding, and benefiting sage grouse habitat and populations on private lands, and public lands as needed, that lie within core areas, general habitat, or connectivity areas. MCA § 76-22-102(2).

The Act also requires that the majority of the grant funds be awarded to projects that generate credits that are available for compensatory mitigation. Therefore, MSGOT will prioritize grant awards to projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. The habitat quantification tool will be used to determine the final number of credits generated for any projects funded under the Grant Program.

Applications to the Grant Program do **not** constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015. Participation or receipt of Stewardship Fund Grant Program monies does not exclude or waive necessary review of any new land uses or activities subject to *Executive Order 12-2015*. Any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must also be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to that process.

Applicants are strongly encouraged to read the key documents before applying:

- The *Frequently Asked Questions, Stewardship Grants and Mitigation* document. It is found here: <https://sagegrouse.mt.gov/Grants>. It provides answers to common questions about Stewardship Account grants, mitigation, and private lands.



- The *Application and Award Process Diagram and the 2019 Deadlines* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document outlines the process and deadlines for the 2019 grants.
- The *Application Information and Guidance* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document provides a comprehensive outline of project eligibility, selection criteria, steps in the grant process from the pre-application phase to project implementation, and expectations for different project types. This document also includes the statutory requirements of the grant program located at MCA § 76-22-101 *et seq*, and the administrative rules promulgated to implement the grant program located at 14.6.101-106, ARM.
- The *Montana Mitigation System Policy Guidance Document for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. Portions of Section 1 and all of Section 2 are pertinent to mitigation credit sites. While section 3 is specifically for developers, it has information that may also provide helpful context.
- *Executive Order 12-2015*, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage-Grouse Habitat Conservation Program.
- For term lease or conservation easement projects, see the *Stewardship Account Term Lease / Conservation Easement Acknowledgment Form* at the end of the Complete Application (below).
- For restoration or enhancement projects, see the *Stewardship Account Restoration / Enhancement Acknowledgment Form* at the end of the Complete Application (below).

Applicants are also encouraged to read and become familiar with the following documents before applying:

- The *Montana Mitigation System Habitat Quantification Tool Technical Manual for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. This document explains how credits are calculated for Stewardship Account grant projects.
- *The Montana Greater Sage Grouse Habitat Conservation Advisory Council Final Recommendations*, dated January 29, 2014, and other background materials available at <http://fwp.mt.gov/fishAndWildlife/management/sageGrouse/habitatConservation/>.
- The U.S. Fish and Wildlife Service *Notice of 12 Month Petition Finding*, announcing its decision not to list the greater sage grouse rangewide under the federal Endangered Species Act (i.e. the “not warranted for listing” decision); see 80 FR 59858-59942, October 2, 2015, available at <https://www.federalregister.gov/articles/2015/10/02/2015-24292/endangered-and-threatened-wildlife-and-plants-12-month-finding-on-a-petition-to-list-greater>. Attention should be placed on portions relevant to Montana.



ADDITIONAL INFORMATION (please read before submitting an application):

How to Submit a Complete Application

All projects should be submitted on the Montana Greater Sage-Grouse Stewardship Account Grant Program Application Form in electronic format by attaching and emailing the application to sagegrouse@mt.gov. Attach additional documents and supporting information, as well. If you do not receive a confirmation email within a few days of sending the application, please send a follow up email to csime2@mt.gov.

Applications should be received via email by 11:59 p.m. on May 6, 2019. If you experience technical difficulty with the electronic submission, please contact Carolyn Sime (406-444-0554, csime2@mt.gov).

Additional Background

Grant funding is provided to implement projects that satisfy the eligibility and evaluation requirements of the Act, provide mitigation to offset development elsewhere, and which further address the primary threats to sage-grouse as identified in *Executive Order 12-2015* and by the U.S. Fish and Wildlife Service in its *12 Month Petition Finding* of “not warranted for listing” published as 80 FR 59858-59942, October 2, 2015. .

Organizations and agencies are eligible for grant funding. In addition, organizations and agencies must hold and maintain conservation easements or leases or be directly involved in sage grouse habitat mitigation and enhancement activities.

Grant recipients are required to enter into a grant agreement with MSGOT and the Program. An applicant is not a grant recipient until the grant agreement has been executed by all necessary parties. Grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act and as appropriate to the project.

Grants funds are distributed as reimbursements in most cases. This means the grantee must submit for reimbursement of expenses incurred. “Up front” funding is not allowed, unless specifically identified in a grant agreement. Similarly, reimbursement funding for activities undertaken prior to the grant agreement’s execution is not allowed.

Grant funding cannot be used to replace or supplement a grantee’s operating budget, unless the budget items directly relate to the conservation of Sage Grouse and the purpose of the grant. For example, grant funding cannot be used to obtain office space, increase a wage or salary, or for acquisition of capital goods, assets, or durable goods (trucks, GPS units, computers, software, etc.).

Depending on the project type, reports will be required. Report content and reporting interval will vary by project type and will be developed in conjunction with grantees. For example, reports for perpetual conservation easements and term leases will be required annually for purposes of monitoring compliance with the terms of the lease or easement. The content and interval for restoration or enhancement will be different.



MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS 2019 COMPLETE APPLICATION

Project Title: Alexander Conservation Easement

Grant Request Amount (in \$): \$497,000

Applicant(s) Information:

Name: Jim Berkey
Title: High Divide Headwaters Director
Agency/Organization: The Nature Conservancy
Street / P.O. Box: 32 South Ewing Street
City: Helena
State and Zip: Montana 59601
Phone: 406-370-6905
E-mail: jberkey@tnc.org

Point of Contact: (name only one individual):

Name: Jim Berkey
Title: High Divide Headwaters Director
Agency/Organization: The Nature Conservancy
Street / P.O. Box: 32 South Ewing Street
City: Helena
State and Zip: Montana 59601
Phone: 406-370-6905
E-mail: jberkey@tnc.org

Proposal Prepared by: Leave blank if same as Point of Contact.

Name:
Title:
Agency/Organization:
Street/P.O. Address:
City: State: Zip:
Phone #: FAX #:
E-mail:

Request: A one-time advance payment is requested for the proposed conservation easement prior to closing; balance of expenses will be invoiced on a cost reimbursable basis.

Is this a multi-year project for which future grants will be sought? If so, explain. No

All Project Partners/Cooperators. Provide contact information for all persons, organizations, and agencies:

(A) involved in the proposed project

(B) who own lands in the project location, or



(C) who own lands for which the grant applicant is claiming project benefits.

For each identified person, organization, or agency, describe their role in the proposed project.

Identify any MOUs, agreements, or contracts associated with the project.

Donald M. Alexander, Jr

Private Landowner, Easement Grantor
1815 Senate Street, Columbia, SC 29201
817-291-6545/ Brad0864@gmail.com

Project Type - Preservation (easement or lease), Habitat Restoration, Habitat Enhancement, or Combination:

Preservation – Perpetual Conservation Easement

If the grant application is a Habitat Restoration or Habitat Enhancement project, is the restoration or enhancement site included within a proposed lease as a combination project in this application? Yes/No.

NA

If No, please describe the measures in place or that would be put into place to protect the site's newly-restored or newly-enhanced habitat conservation values.

Project Narrative: Describe the project and its duration. Include the problems or threats specifically identified at the project location, what actions the project will undertake, and how such actions will address the threats and satisfy the stated goals and objectives of the project. (3 pages of narrative or less)

The Nature Conservancy and the Alexander family propose to permanently protect their 680-acre property located in the upper Medicine Lodge Valley, Beaverhead County, Montana with a perpetual conservation easement. The entire property lies within designated General greater sage-grouse habitat. Approximately 6 acres of the property is within Core Area 9 (GSG Management Zone IV). The property is surrounded by public lands managed by the Beaverhead Deerlodge National Forest and the Bureau of Land Management, and lesser amounts of private land. The property is adjacent to the ~1000-acre Hildreth Livestock Co Ranch who are about to grant a conservation easement to The Conservancy. The majority of the Property consists of high-quality, high elevation (>7,000 feet) mountain big sagebrush steppe with interspersed wet meadows, springs, perennial streams and lesser amounts of Douglas fir forest. The property is located within a remote relatively undisturbed landscape that is quite productive for greater sage-grouse. Wet meadows fed by annual snowmelt, seeps and springs, and perennial streams provide a diverse mosaic of habitats for sage grouse and other wildlife. This combination of habitat features is known to be the most productive for greater sage-grouse in southwest Montana.

The Medicine Lodge Valley is a remote high elevation valley bordered on the east by the Tendoy Mountains and on the west the Beaverhead Range. The Continental Divide (and



Montana- Idaho state line) is just 1.5 miles west of the property. These surrounding mountains are managed as a part of the Beaverhead Deerlodge National Forest. Mountain foothills and portions of the valley floor are managed by the Bureau of Land Management. The valley is much as it was 100 years ago and contains only ~1 year-round residence. This unchanged management has left this valley relatively untouched by human development and it consequently supports outstanding wildlife habitat. The predominant land use for both public and private lands in the region is seasonal livestock grazing. High elevations and short growing seasons typically preclude conflicts between summer livestock grazing and sage grouse habitat use.

Elevations on the Alexander Property range from approximately 7,200 feet elevation near Erickson Creek to over 7,600 feet elevation to the west. The intact native sagebrush steppe and associated wet meadows on this property provides excellent habitat for greater sage-grouse and other sagebrush obligate species of concern, including Brewer's sparrow, sage thrasher, ferruginous hawk, long-billed curlew, sandhill crane, and pygmy rabbit. The ranch and surrounding landscape are also strongholds for elk, moose, and mule deer populations. With the exception of the ~80 acres of montane forest, the entire Alexander Property is utilized by greater sage-grouse. The ranch and surrounding landscape's combination of 1) expansive intact sagebrush grassland, 2) abundant interspersed wet meadows, and 3) higher elevation mountain big sagebrush-dominated cover make it high-quality sage grouse habitat.

The Alexander family has owned the property since the early 1990's. The family has used the property as a recreational retreat during the growing season. The Alexander's have also leased the property to the neighboring ranch, Hildreth Livestock Co., for seasonal livestock grazing. Apart from two-track dirt roads, cross fencing, and a small family cabin located within the forest near the southern border, the property is undeveloped and provides excellent wildlife habitat.

Over 85% of the property consists of native sagebrush steppe rangeland. Mountain big sagebrush dominates these areas, with lesser amounts of rabbitbrush, and Idaho fescue, thread-leaved sedge, and bluebunch wheatgrass. More open grassland areas on the property support one-spiked oatgrass, Idaho fescue, and locoweed. Approximately 10% of the property consists of montane forest dominated by Douglas fir with lesser amounts of juniper and lodgepole pine. The remainder of the property consists of either riparian and wetland areas along Erickson Creek and its unnamed tributary or natural wet meadows that support a diversity of native shrubs, grasses and forbs and provide excellent brood rearing habitat for greater sage grouse.

Don and Brad Alexander approached The Nature Conservancy during the summer of 2020 with an interest in protecting the property with an easement. They hope to use the easement income to resolve family ownership issues and keep the land whole, open, and in the family. The Conservancy has received an estimate of the fair market value of the proposed easement of \$500,000 from Kevin Pearce, a licensed rural appraiser with New Frontier Ranches. Should we proceed with the project, we would order a full USPAP appraisal to determine the easement's market value.

We anticipate that an approximately 10-acre area encompassing the existing cabin within montane forests on the property will be excluded from the conservation easement. The easement would expressly allow the property to continue to support seasonal grazing and passive forms of recreation and associated practices (fences, stock water, etc). This project will help maintain, sage grouse habitat and populations for the heritage of Montana and its people through a voluntary incentive-based effort.



If funding is secured for this easement, we would aim to close the conservation easement in early 2022.

Management Relevance/Conservation Benefit: Describe the benefits to be achieved if the project is implemented. (200-word narrative or less)

The nearby Sage Grouse Core Area #9 is Montana's most southwesterly Core Area and is centered on the high elevation sagebrush steppe of the Big Sheep Basin to the south of the property. Telemetry data from both BLM and Idaho Fish and Game suggest strong connections between Montana's Big Sheep sage grouse populations and sage grouse populations to the west (Lemhi Valley) and south (Medicine Lodge valley) in Idaho. Sage Grouse Core Areas designated by Idaho's Sage Grouse Task Force are located within 2 miles of the Alexander Ranch to the southwest and southeast in Idaho. There is one known active sage grouse lek within one mile of the Alexander Property. This lek is located to the north on BLM lands near Morrison Creek. The remaining 8 leks known to occur within Montana within 12 miles are located to the south within the Big Sheep watershed, to the east within Muddy Creek, and to the north within the lower Medicine Lodge valley.

The proposed easement would protect a relatively large piece of this unique intermountain Core Area, which to-date remains largely unprotected and at high risk of subdivision from recreational development.

Problem / Threat Analysis: Describe the sage grouse problems/threats being addressed by the project and why the project is necessary. (Approximately 100 words)

The remote and undeveloped nature of this landscape is currently under threat. Already, large working ranches in the area have been subdivided and developed, fragmenting critical habitat. The pace and scale of this threat has dramatically increased just in the past 6 months. We must respond to opportunities such as the Alexander Property and make strategic investments to protect such critical habitats while they remain intact.

The proposed conservation easement will address the primary threats to greater sage-grouse habitat identified in this Core Area: habitat loss and fragmentation due to exurban development, sagebrush control, and improper livestock management. The easement would prohibit subdivision and development of the property and ensure that wet meadows and upland sagebrush grasslands remain open and viable for greater sage-grouse habitat. Easement terms would include provisions prohibiting tilling of native sagebrush grassland vegetation and other significant ground disturbances/ alterations, that would impair conservation values and broad-scale disturbance of native vegetation on the Property.

Project Location:

UTM Coordinates (Easting, Northing, Zone, Datum): 338594.47 m E, 4950961.04 m N, 12T UTM

PLSS Description (County Township Range Section/s):



Township	Range	Section	Legal Description
13 S	12 W	14	S14, T13 S, R12 W, ACRES 80, N2SW4
13 S	12 W	15	S15, T13 S, R12 W, ACRES 160, SE4
13 S	12 W	23	S23, T13 S, R12 W, ACRES 200, NW4, SW4NE4
13 S	12 W	22	S22, T13 S, R12 W, ACRES 200, NE4, NW4SE4
13 S	12 W	22	S22, T13 S, R12 W, ACRES 40, NE4SE4

Project Location map(s): Please submit maps as attachments to this document. Be sure to include titles, labels and descriptive references.

County name/s: List all counties where the project will occur.

Beaverhead County

Size of Project Area:

Total acres within project boundary, or directly affected by project: **680 acres**

Total acres indirectly affected by project (explain): NA

Are there any existing surface use agreements: Yes/No No. The Alexanders report that there are no existing surface use agreements

If there are existing surface use agreements, please describe the nature of the agreements, their duration, and expiration date. Does the lease contain an option to renew?

NA

If the participating private landowners do not own the mineral rights, are the mineral right owners known? Yes/No

No

Are there any existing mineral leases? Yes/No No. The Alexanders report there are no existing mineral leases.

If there are existing mineral leases, please describe the nature of the leases, their duration, and expiration date. Does the lease contain an option to renew?

NA

Has a mineral remoteness review test been completed? Yes/No. If yes, please describe the conclusions. If no, is one is expected to be completed and if so, when would results be known?

No. A minerals remoteness report will be completed by June 2021

Is any portion of the Project Area enrolled in NRCS Farm Bill Programs? Yes/No No



If yes, please describe. For example, which NRCS program and when does the project expire?
Provide the Township / Range / Section of the enrolled lands.

NA

If there are State Trust Land parcels and /or BLM parcels within the boundary of the proposed project, do the participating landowners hold the appropriate state or federal lease, grazing or farming authorizations? Yes/No. If yes, please provide some background information about the authorization and its expiration date. If no, please provide some additional background.

NA

Surface Land Ownership:

(check all that apply) Federal _____ State _____ Private X

If project will affect a mosaic of land ownerships (e.g., mix of federal, state and/or private lands), provide a breakdown for each specific owner type by acres and percent of total project area.

	Federal	State	Private	Total
Directly Affected				
Acres			680	680
Percent of Total			100%	
Indirectly Affected				
Acres				
Percent of Total				

Project Activity Description: (check all that apply)

 Reduction of Conifer Encroachment

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

 Reduction of Invasive Weeds

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				



Connectivity Area				
Acres				
Percent of Total				

_____ **Maintenance/Restoration/ Improvement of Sagebrush Health or Quality**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

☒ **Purchase/Acquisition of a Term Lease or Conservation Easement**

	Federal	State	Private	Total
Core Area				
Acres			6	6
Percent of Total			1%	
General Habitat				
Acres			674	674
Percent of Total			99%	
Connectivity Area				
Acres				
Percent of Total				

_____ **Incentives to Reduce Conversion of Grazing Land to Cropland**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ **Restoration of Cropland to Grazing Lands**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				



Acres				
Percent of Total				

_____ **Demarcation of Fences**

	Federal	State	Private	Total
Core Area				
Miles				
Percent of Total				
General Habitat				
Miles				
Percent of Total				
Connectivity Area				
Miles				
Percent of Total				

_____ **Reduction of Unnatural Perching Platforms for Raptors**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Reduction of Unnatural Safe Havens for Predators**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Other: Briefly Explain**

	Federal	State	Private	Total
--	---------	-------	---------	-------



Core Area				
Number of Acres or Structures				
Percent of Total				
General Habitat				
Number of Acres or Structures				
Percent of Total				
Connectivity Area				
Number of Acres or Structures				
Percent of Total				

____ **Modification of Fire Management to Conserve Sage Grouse Habitat or Populations**
(Briefly explain)

Vegetation Management: If the project involves any vegetation management, manipulation, or treatment (i.e. conifer reduction, grazing land management, sagebrush management or restoration wildfire management) complete the following. (Check all that apply.)

NA

Mechanical Treatment _____ Chemical Treatment _____ Prescribed Fire _____
Restoration _____ Reseeding/Planting _____ Deferred Grazing _____
Invasive/Noxious Plant Removal _____ Other(s) (explain) _____

Identify the post-treatment management strategies to be implemented (e.g. livestock grazing plans, weed control, infrastructure maintenance, etc.). (500-word narrative or less. Attach additional information if necessary.)

NA

Local Impacts: Describe any impacts or benefits to the local communities, including socioeconomic impacts or benefits. (200-word narrative or less. Attach additional information if necessary.)

The Alexander Property was once part of the adjacent Hildreth Livestock Co. Ranch. The Hildreth's have continuously grazed the Alexander property since the 1890's and have seasonally leased the Alexander Property for seasonal grazing. The Alexander's have used the property as a summer residence and retreat for over 30 years and have also embraced the history and culture of family-based ranching in the area. This easement would be a positive socioeconomic step – by maintaining the opportunity for traditional ranching and use and heritage which has sustained habitat for wildlife, including greater sage-grouse, for generations.



Other Benefits: List and describe any other benefits that will be achieved from the project. (e.g. educational, economic, research, public access, other environmental or conservation services, etc.)

This corner of Montana remains a wild, unfragmented landscape of working ranches interspersed with public lands. Its high intermountain valleys provide vital habitat that connect the Greater Yellowstone Ecosystem to the Crown of the Continent and the Salmon Selway of central Idaho for wide-ranging species such as grizzly bear and wolverine and a myriad of plant and animal species undergoing range shifts due to climate change. These high valleys also provide ample cold and clean waters to the headwaters of the Missouri, that will help wildlife and human communities downstream be more resilient to drought. The perennial streams on the ranch support genetically pure westslope cutthroat trout.

Expected duration of effects from proposed project: Check the appropriate box.

____ 1-15 years; ____ 15-20 years; ____ 20-25 years; ____ 25-30 years; ____ 30-35 years; ____ 35-40 years; ____ 40-45 years; ____ 45-50 years; X in perpetuity.

If the expected duration is in perpetuity, please explain how the applicant and project participants will legally and physically ensure perpetual protection of the proposed habitat project and its benefits.

The Nature Conservancy has a long history of conservation easement stewardship in Montana, having secured the first easement in the state in 1976. Currently, the Conservancy manages ~180 conservation easements that cover nearly 430,000 acres in Montana. The Conservancy meets all the best practices for conservation easement stewardship and enforcement and has been accredited by the Land Trust Alliance. Among practices employed are maintenance of a permanent endowment that pays for annual monitoring costs, annual on-site monitoring, annual or more frequent engagement with landowners, and yearly report generation of property use and condition compared with consistent and inconsistent uses of the easement.

If the expected duration is a term of years, please explain how the applicant and project participants will ensure protection of the proposed habitat project and its benefits.

Total Montana Greater Sage Grouse Stewardship Account Funding Request:

Cash \$ 497,000

Percentage of Total Project Cost 89 %

Narrative Details for Funds: list all sources of funds or in-kind contributions, the amount, whether such funds are in-hand or committed, and any limitations on the use of such funds.

Source	Amount	In-kind Cash?	or	In-hand Committed?	or	Any Limitations?
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TNC	\$10,000	cash	In hand	

Narrative explanation of whether matching funds are in-hand, committed, or have been applied for through other granting opportunities. If not in-hand at the time the application is submitted, please address timeline for when decisions regarding the other granting opportunities will be made and communicated to applicants.

For in-kind contributions, explain basis and method for valuation:

For cash match that is committed but not yet in-hand, explain the circumstances of the commitment, the date committed, and if cash, when the cash will become available:

If including any project monitoring or stewardship costs, please explain how the budget item listed in the tables below directly relate to the purposes of the grant. [Grants may not be used to supplement or replace the operating budget of an agency or organization except for budget items that directly relate to the purposes of the grant. § 76-22-110(4), MCA.]

Restoration or Enhancement Project Costs / Budget (Complete the table below if the application is for restoration or enhancement projects; if restoration or enhancement areas would also be included in a lease or conservation easement, separate out project costs / budget accordingly by completing both this table and the one below.)

Item	Matching Cash Contribution	Matching In-Kind Contribution	Stewardship Account Request	Total
Project Planning and Design				
Contractor Costs				
Permitting				
Other				
Project Implementation				
Contractor Costs				
Supplies/Materials				
Equipment Costs				
Salaries/Labor				

Other				
Project Monitoring				
Operation and Maintenance				
Total Cost Estimate				

Term Lease or Conservation Easement Project Costs / Budget (Complete the table below if the application is for a term lease or conservation easement; if a term lease or conservation easement project would also include restoration or enhancement activities, separate out project costs / budget accordingly by completing both this table and the one above.)

Item	Cash Contribution	Matching In-Kind Contribution	Requested Contribution	Total
a. Project Planning and Design				
Engineering Applicant				
Contractor				
Landowner				
Baseline Inventory Report (Environmental Documentation Report) Applicant				
Contractor			5,000	5,000
Environmental Hazards Assessment			1,000	1,000
Survey				
Mineral Report Applicant				
Contractor			500	500
Appraisal			15,000	15,000
Title Commitment				
Title Insurance				
Mortgage Subordination				
Resolution of Legal Access				
Land Trust Transaction Fee				
Appraisal				
Closing and Recording Fees			500	500
Other Expenses				
Sub-Total			22,000	22,000
b. Project Implementation				
Manpower Applicant				
Contractor				
Landowner				
Equipment Applicant				
Contractor				
Landowner				

Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Perpetual Easement Stewardship Fee / Endowment	10,000			10,000
Total Easement Value		25,000	475,000	500,000
Other				
Sub-Total	10,000	25,000	475,000	510,000
c. Project Operation/Maintenance				
Manpower Applicant				
Contractor				
Landowner				
Equipment Applicant				
Contractor				
Landowner				
Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Monitoring Stewardship				
Other				
Sub-Total				
d. GRAND TOTAL	10,000	25,000	497,000	532,000

If a Conservation Easement, Summary of Acquisition Budget:

Appraised Value of Conservation Easement: \$500,000 (appraiser's estimate)
Landowner Donation: \$25,000
Other Donation: _____
Purchase Price: \$475,000

Source of Easement Funds: (list all sources)

Stewardship Account: \$475,000
Other: _____
Other: _____
Other: _____



Project Readiness / Implementation Schedule: List timeline including month and year when project is expected to be initiated and completed.

Month/Year overall project begins: August 2020

Month/Year overall project ends: estimated: March 2022

Month/Year Stewardship Account Grant funding would begin: estimated: March 2022

Month/Year Stewardship Account Grant funding would end: estimated: March 2022

Likelihood of Implementation: Have all necessary permits/approvals been obtained? Projects judged unlikely to be implemented may be given lower priority.

PERMIT OR AUTHORIZATION	REQUIRED		SUBMITTED		APPROVED	
	Yes	No	Yes, Date	No, date expected	Yes, Date	No, date expected
Cultural Resource Inventory		x				
COE Section 404 Permit		x				
Cooperative Agreement(s)		x				
*NEPA Analysis		x				
Pesticide Application Permit		x				
Private Landowner Agreement(s)		x				
Sensitive Species Clearance		x				
Surface/Ground Water Permits		x				
T/E Species Clearance		x				
Others (explain)						
County Planning Authority CE Review **	x			August 2021		Oct 2021

**Montana Code Annotated 76-6-206 requires that any conservation easement be provided to local planning authorities, which have up to 90 days to review and comment on a conservation easement.

***If NEPA is Required:** What is the type of NEPA analysis required: Environmental Impact Statement (EIS); Environmental Assessment (EA); Categorical Exclusion (CE); Biological Assessment/biological Evaluation (BA/BE); etc.? What federal agency will conduct the analysis and who is the primary agency contact? What is the estimated submittal and approval dates?



Project Timeline and Estimated Completion Date. (Explain, 200 words or less)

The Alexander Easement project will have all basic due diligence steps completed by no later than December 2021. The **Appraisal** and **Mineral Remoteness Report** will be ordered in January 2021 and we expect both will be complete before September 2021. The **conservation easement** will be drafted and reviewed by both TNC and Landowner during spring 2021. The field work for both **Baseline Report** and **Environmental Assessment** will be conducted summer 2021 and would be completed by October 2021. Near final easement terms will be submitted for **Beaverhead County Planning Authority review** by September 2021. The Landowner and TNC will enter into a **purchase and sale agreement** likely in early 2022 to formalize purchase price, conditions to close, and closing date.

Project Monitoring Plan: All projects require monitoring to determine effectiveness relative to the statutory purposes of the Act to conserve sage grouse habitat and populations. Identify what monitoring program and protocols are in place or will be put in place to assess and quantify the results achieved by the project. Identify those responsible for monitoring. Include both short-term and long-term monitoring. A Project Close-out Report may be required for each project upon completion, to allow tracking of expenditures and attainment of results. Photos, summaries, etc. may be required. If a monitoring plan has not yet been developed, the Sage Grouse Habitat Conservation Program will work collaboratively with successful applicants to develop a plan. (Approximately 2 pages of narrative or less. Attach additional documentation if needed.)

Given that this is a conservation easement, and the action is a one-time event, monitoring will be different than a typical habitat restoration project. For the conservation easement, the Conservancy will provide the state a recorded copy of the conservation easement, baseline report, and associated documents. The Conservancy would conduct annual compliance monitoring of the conservation easement in perpetuity and will provide the State with copies of annual monitoring reports as requested.

Attachments and Supporting Documentation. (Required documentation and supporting materials will vary by project type but check all that are available at the time of submitting a complete application. The Program may contact grant applicants for additional clarification.)

☒ Project Design / Maps

☒ Final Spatial Data

☒ Letters of Support

☐ Site Management or Stewardship Plan

☐ Grazing Plan, if applicable

☐ Restoration Plan, if applicable

☐ Enhancement Plan, if applicable

☐ Draft Term Lease or Conservation Easement with terms, if applicable (**not available at this time**)



_____ Mineral Remoteness Review Report for perpetual conservation easements **(not available at this time)**

_____ Market Appraisal for perpetual conservation easements **(not available at this time)**

___NA___ Site Monitoring Plan

___NA___ *Stewardship Account Term Lease / Conservation Easement Acknowledgement* (see below; include as many signatory pages as there are project participants)

_____ *Stewardship Account Restoration or Enhancement Project Acknowledgement* (see below; include as many signatory pages as there are project participants)

_____ Budget **(Already within the grant)**

___NA___ MOUs and other Agreements

_____ Other (list): _____

For those attachments and supporting documentation that are not available at the time of submitting a complete application, indicate when they will become available:

Additional Information for Consideration.



GENERAL ACKNOWLEDGEMENT, ALL PROJECTS

Please initial each verification or acknowledgment and sign below.

- ☒ All Applicants verify that they have read the *Application Information and Guidance* document before filling out this application.
- ☒ All Applicants verify that they have read Executive Order 12-2015, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage Grouse Habitat Conservation Program.
- ☒ All Applicants acknowledge that grant recipients are required to enter into a grant agreement with MSGOT and the Program, and that an applicant is not a grant recipient until a grant agreement has been executed by all necessary parties. Such grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act.
- ☒ All Applicants acknowledge that MSGOT will prioritize grant awards for projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. Such assurances may be included in the grant agreement but will be included in other project documents.
- ☒ All Applicants acknowledge that applications to the Grant Program do not constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015, and any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must still be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to its procedures or process.
- ☒ (If this Application seeks grant funding for a conservation easement or a term lease) All applicants verify that all parties to the term lease or conservation easement have read and signed the attached the *Stewardship Account Term Lease / Conservation Easement Acknowledgement Form*. Include as many copies as there are project participants.
- ☒ (If this Application seeks grant funding for a restoration or enhancement project) All applicants verify that all parties to the project have read and signed the attached the *Stewardship Account Restoration or Enhancement Project Acknowledgement Form*. Include as many copies as there are project participants.

Signature: *James Berkey*

Printed Name: James Berkey

Title: High Divide Headwaters Director

Date: 10/19/20



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

All parties to the proposed term lease or conservation easement must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor, and every land trust or holder of the conservation easement. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any lease or conservation easement selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the applicable lease or conservation easement agrees through the grant agreement and the lease or easement document to establish the State of Montana as a third-party beneficiary to the lease or easement with a contingent right to enforce the terms of the lease or easement if the grantee fails to do so.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree through the terms of the lease or conservation easement that the lease or conservation easement may not be transferred for value, sold, or extinguished without consent of the State of Montana or its agents.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree that the lease or conservation easement will recognize the State of Montana or its agent's right to take legal action to enforce the terms of the lease or easement or to recover from the proceeds of the transfer for value, sale, or extinguishment the state's pro rata share of the proceeds based on the funds the state provided pursuant to this part for the creation of the lease or easement.

The signatories further acknowledge that MSGOT will retroactively calculate, own, and make available credits for leases and conservation easements purchased with grant funds using the most current version of the Habitat Quantification Tool and the Policy Guidance documents and applicable state laws.

The signatories further acknowledge that monitoring reports will be required. The content and reporting interval will be developed collaboratively between the grant recipient and the Montana Sage Grouse Habitat Conservation Program. Reporting requirements will be tailored the project.

The signatories further acknowledge that grant recipients and the Montana Sage Grouse Habitat Conservation Program will collaboratively develop and agree upon the schedule or frequency of payments from the Stewardship Account. The schedule will be included in the grant agreement.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program or its agents can inspect the lands and verify the credits created from lands included within the term lease or conservation. At all times, the state will seek to make arrangements well ahead of time, provide reasonable prior notice, and will not interfere with the landowner's use and enjoyment of the land.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program will work with the grant recipient and participating landowners to develop a credit site mitigation plan. The plan will describe the credit estimation, verification, and



monitoring processes. In most cases, existing stewardship plans, grazing plans, or similar will suffice and the mitigation plan will recognize them, while setting out the credit details of the site.

The signatories further acknowledge that term leases should be filed in the county of record, similar to perpetual conservation easements.

The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the lease or conservation easement and otherwise allow the State of Montana or its agents to protect its interests as third-party beneficiaries to the lease or conservation easement.

Signature:	<u>James Berkey</u>
Printed Name:	<u>James Berkey</u>
Title:	<u>High Divide Headwaters Director</u>
Role in the Project (owner, land trust, etc.):	<u>The Nature Conservancy</u>
Date:	<u>10/19/20</u>



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

All parties to the proposed term lease or conservation easement must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor, and every land trust or holder of the conservation easement. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any lease or conservation easement selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the applicable lease or conservation easement agrees through the grant agreement and the lease or easement document to establish the State of Montana as a third-party beneficiary to the lease or easement with a contingent right to enforce the terms of the lease or easement if the grantee fails to do so.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree through the terms of the lease or conservation easement that the lease or conservation easement may not be transferred for value, sold, or extinguished without consent of the State of Montana or its agents.

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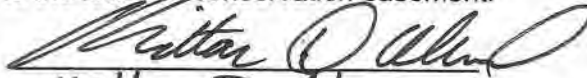
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The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the lease or conservation easement and otherwise allow the State of Montana or its agents to protect its interests as third-party beneficiaries to the lease or conservation easement.

Signature:

Printed Name:


Milton D. Alexander

Title:

Role in the Project

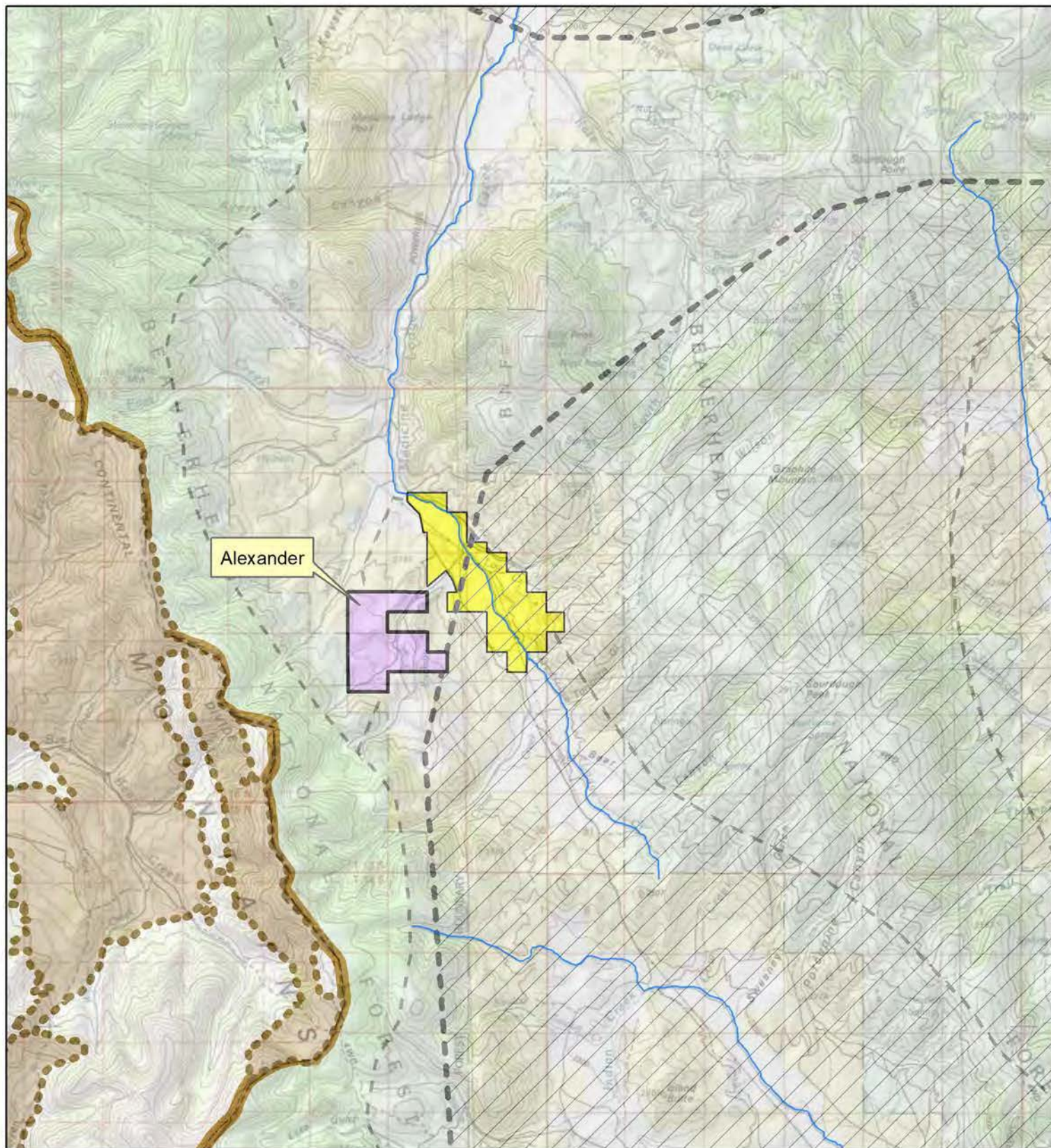
(owner, land trust, etc.):

Landowner

Owner

Date:

10/14/2020



Alexander



In Progress Easement



GSG Core Areas



GSG Occupied Habitat



Idaho SG Task Force Conservation Areas

Alexander Property Easement Project Upper Medicine Lodge Valley



US Bureau of Land Management

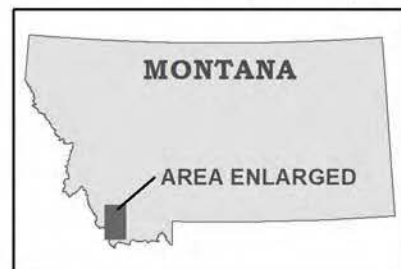


US Forest Service

The Nature Conservancy
Protecting nature. Preserving life.

0 1.25 2.5 5 Miles

map created 10/15/2020





Montana Fish, Wildlife & Parks

730^{1/2} North Montana Street
Dillon, MT 59725
October 17, 2020

Montana Sage Grouse Habitat Conservation Program
Department of Natural Resources and Conservation
1625 11th Ave
Helena, MT 59620

RE: Request for MSGHCP Funding Support for Alexander Conservation Easement

Dear Funding Committee:

Please accept this letter of support for the proposed conservation easement on the Alexander property to be held by The Nature Conservancy. I believe this property to be of value for sage grouse and other wildlife species because of the high-quality sage-grassland habitat it contains and its potential role in maintaining connectivity. The Alexander property is in the upper reaches of the Medicine Lodge valley which provides productive seasonal habitat for sage grouse, pronghorn, elk, mule deer and moose. It also provides connectivity habitat for wildlife species moving between the Lower Medicine Lodge/Horse Prairie area and the Beaverhead Mountains and Big Sheep Basin. The proposed Alexander easement borders federal and state lands and adjoins a property with a conservation easement in process. The addition of the Alexander easement would ensure contiguous habitat was available for sage grouse and other species. There is one known active sage grouse lek within a mile of the Alexander property. This property contains healthy stands of mountain big sagebrush interspersed with wet meadows and springs making it productive sage grouse habitat. It is likely the Alexander property provides nest sites for sage-grouse hens and is likely to support brood rearing late into the summer season. Furthermore, efforts by the BLM and Idaho Fish and Game to telemeter sage-grouse suggests this area provides seasonal habitat for birds wintering in Idaho.

FWP appreciates the Nature Conservancy's effort to protect and enhance wildlife habitat in Beaverhead County. This easement would keep this property available for seasonal cattle range and for sage grouse, pronghorn and elk seasonal use and migration. I encourage you to support this easement. If you have any questions or would like to visit more about the wildlife value of the proposed easement, please feel free to contact me.

Sincerely,

Jesse Newby

A handwritten signature in blue ink, appearing to read "Jesse Newby", is written over a light blue horizontal line.

FWP Dillon Area Wildlife Biologist. Phone: (406) 683-9305. Email: jnewby@mt.gov

Bequette

Bequette Ranch Conservation Easement Project Analysis			
	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Total Acres included in Easement Area	2,524	60,928	368,479
Core Acres	0	0	8,296
General Acres	2,524	52,103	135,495
Connectivity Acres	0	0	0
Outside Habitat	0	8,825	224,689
Percent Core	0%	0%	2%
FWP Lek Count (May be other Leks present)	1	1	6
FWP Total Male Count (Most Recent)	10	10	23
FWP Avg. Male Count	10	10	4
Project Cost/Acre	\$87.39	NA	NA

Conservation Status	Project Area	4 Mile Buffer (%)	12 Mile Buffer (%)
Percent Public (MT FWP, STL, BLM, US Bureau of Reclamation, USFS)	0%	9.99%	6.44%
Percent Private Conservation	0%	0%	0%
Percent Managed Areas (Beaverhead - Deerlodge National Forest, BLM, MT FWP)	0%	0%	0.05%
Percent Conservation Easement (MLR, MDOT)	0%	0.04%	1.27%
Total in Conservation	0%	10.02%	7.55%
Not in Conservation	100%	89.98%	92.45%

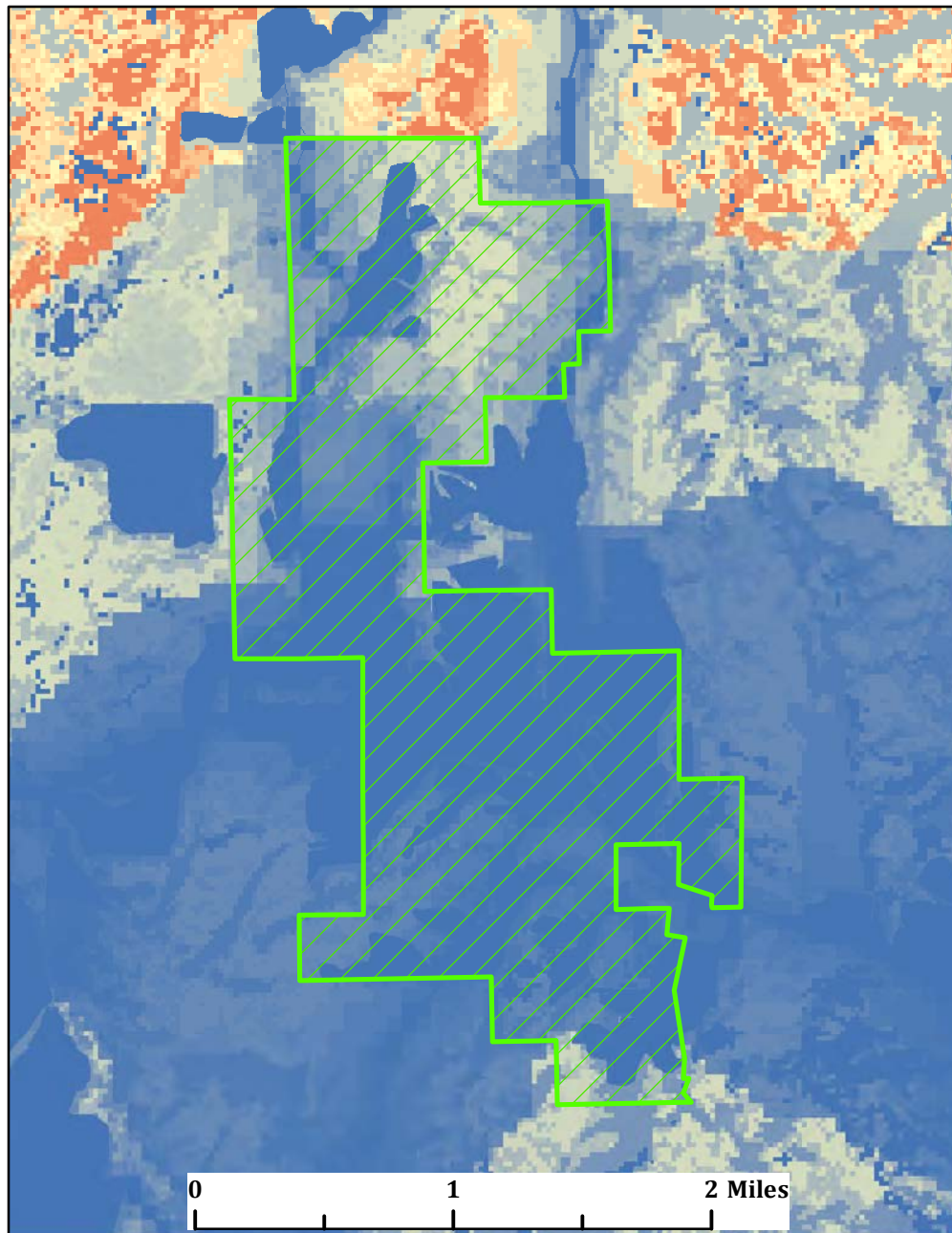
Some Managed Areas are also Public Lands.

Lek Vulnerability	Project Area	4 Mile Buffer	12 Mile Buffer
No Data	0	0	0
0 - 10%	0	0	1
10.1 - 25%	0	0	0
25.1 - 50%	0	0	2
50.1 - 75%	1	1	1
75.1 - 100%	0	0	2

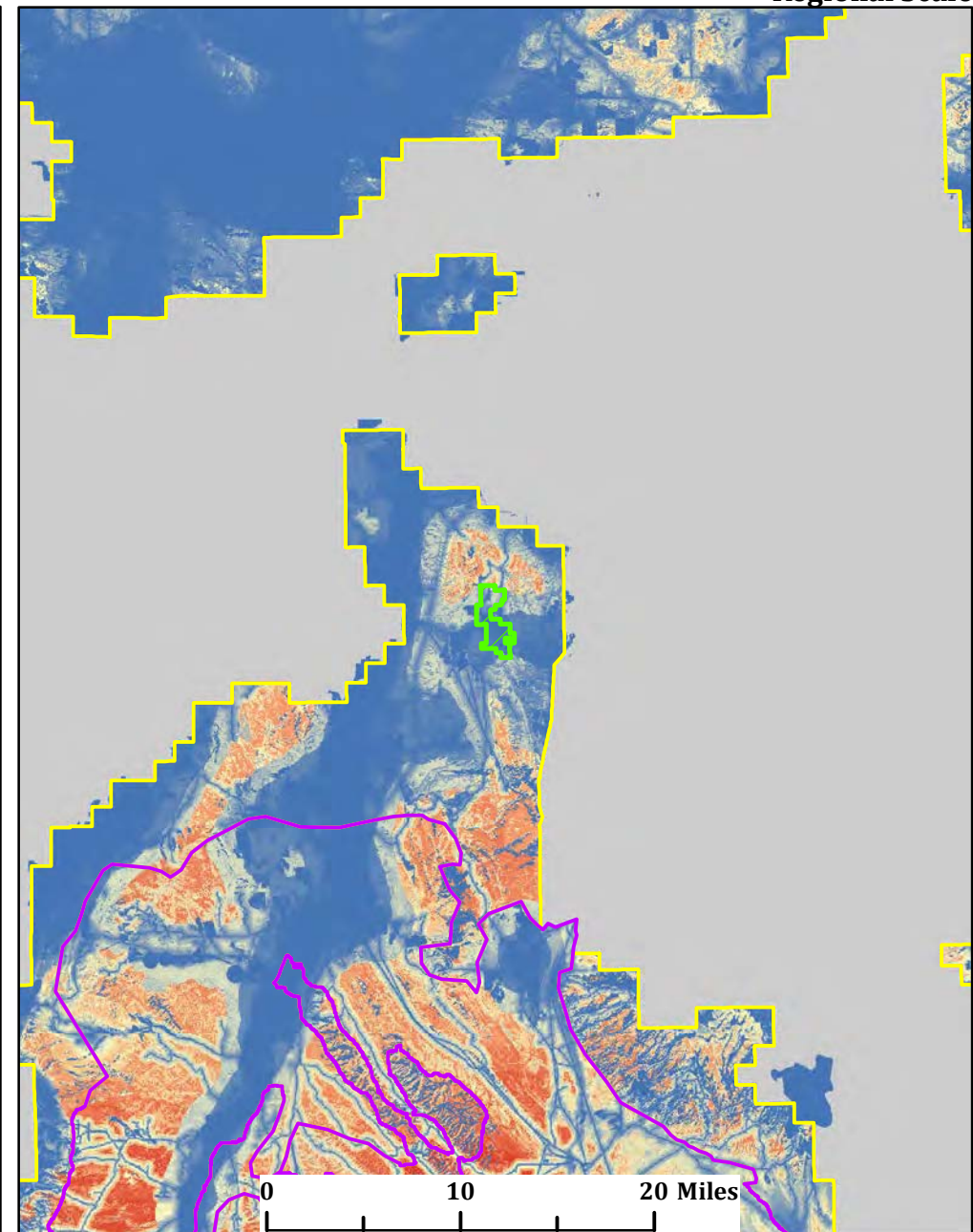
Existing Disturbance Composition (Percent Area)	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Building	0.69%	0.21%	0.15%
Crop	37.95%	10.62%	6.81%
Livestock Area	0.03%	0.06%	0.06%
Power Line	0.00%	0.12%	0.05%
Road	0.68%	0.36%	0.20%
Stock Pond	0.01%	0.06%	0.01%
Storage Yard	0.05%	0.10%	0.06%
Other	0.77%	0.37%	0.47%

HQT Results: Bequette Ranch - MLR

Local Scale



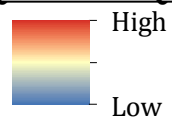
Regional Scale





Project HQT Metadata

HQT Date: 30 Sept. 2020
Years Maintained: 100 Years

HQT Habitat Quality



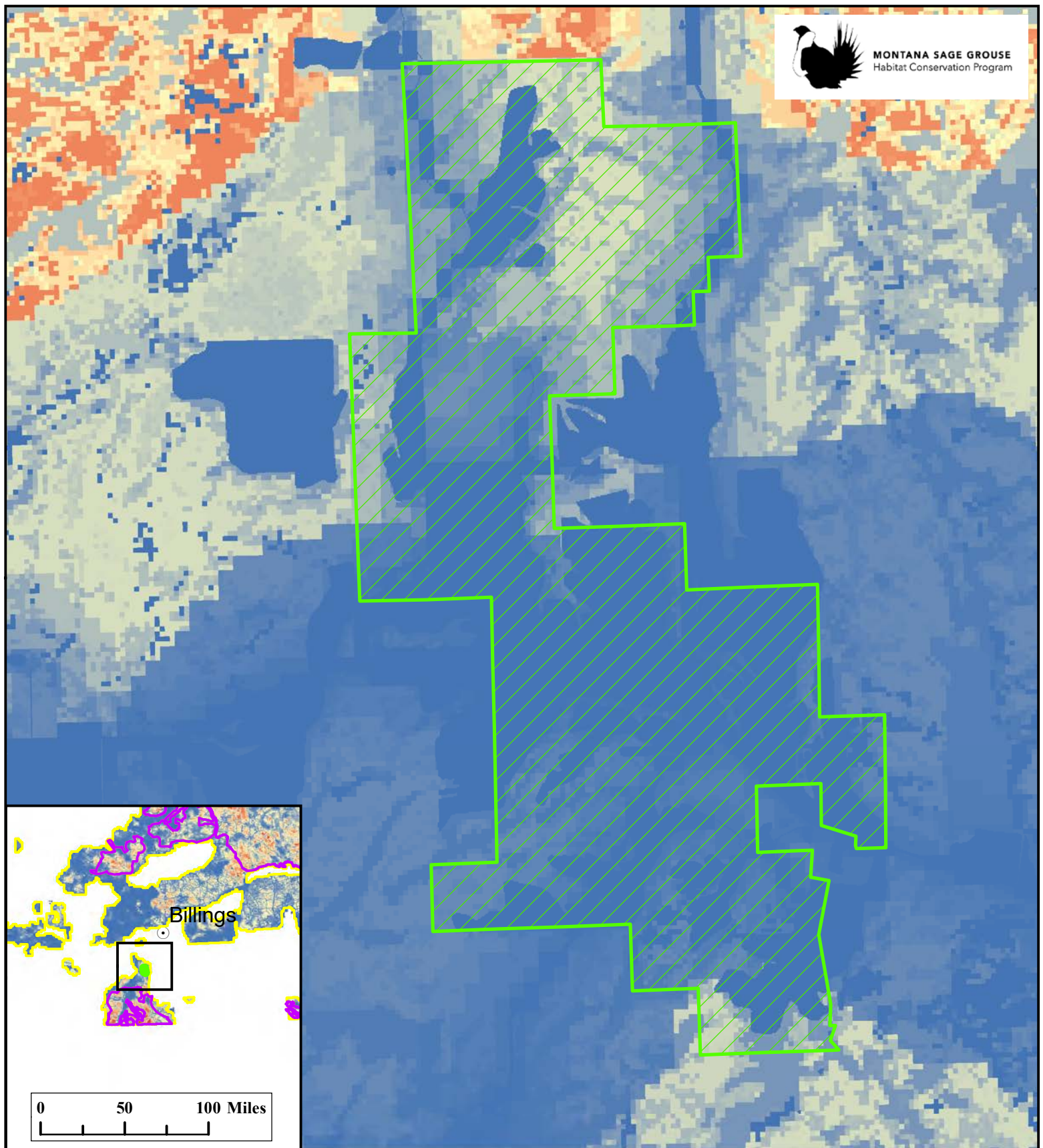
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

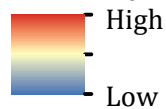
HQT Results: Bequette Ranch - MLR



Project & HQT Information

Date of HQT Results: 30 Sept. 2020
Number of Years: 100 Years

HQT Habitat Quality



Project Direct Footprint



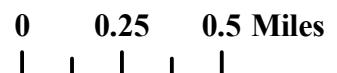
Core Area



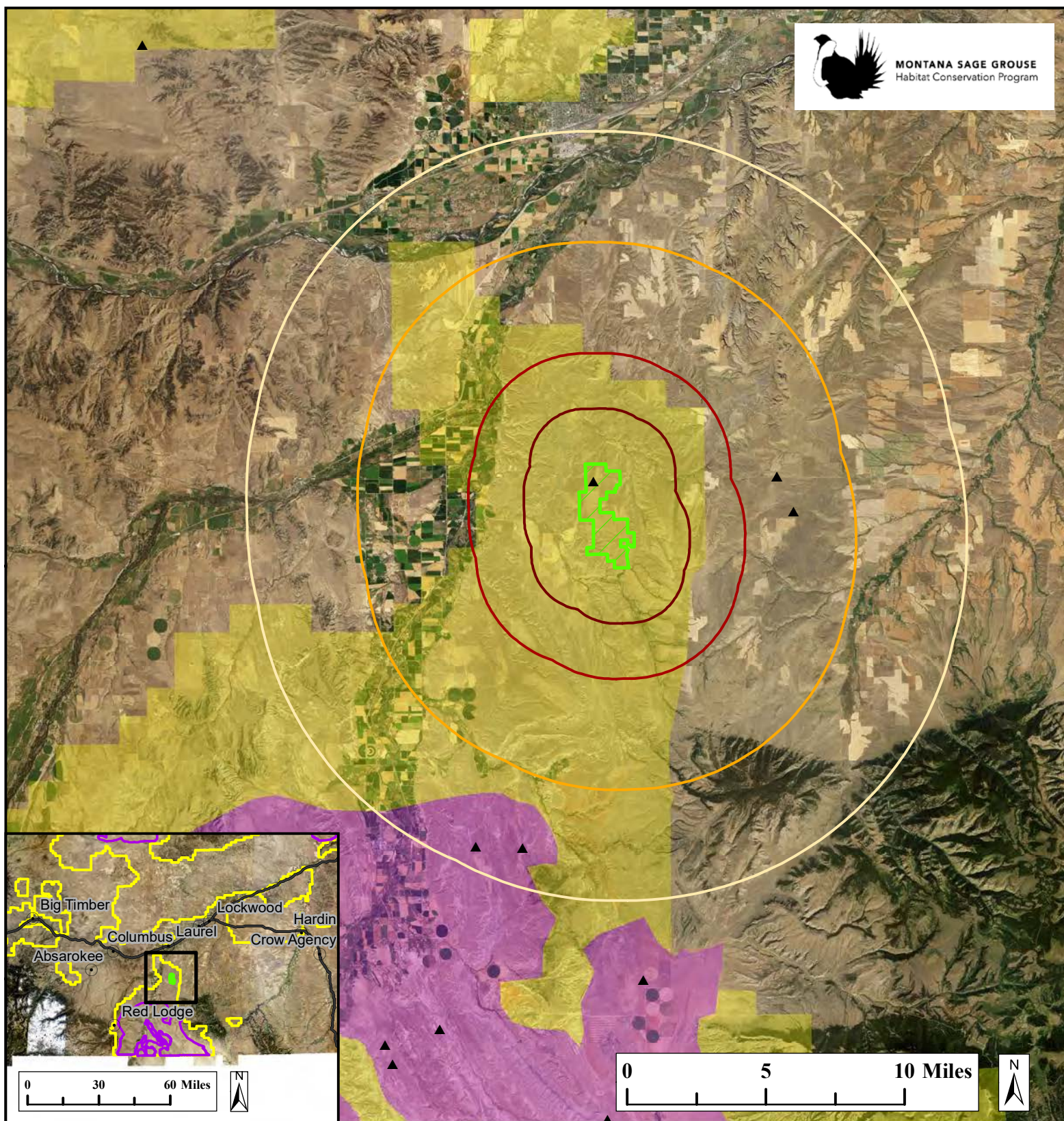
General Habitat



Major Towns



Bequette Ranch MLR Conservation Easement - Lek Proximity



Project Information:

Map Date: 22 October 2020
 PathFile:G:\CARD\10 Sage Grouse HCP\
 Grant Program\Third Cycle - November
 2020\GIS\Bequette - MLR\maps
 ProximityToSGLeks.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
 Aerial Photography Field Office.

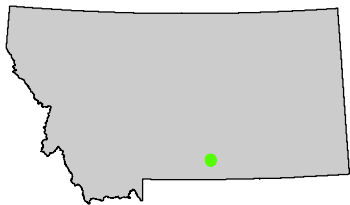
▲ ActiveLeks	Buffer Distances	# Leks Within Buffer
Project Boundary	2 Mile Buffer	2 Mile: 1
Core Area	4 Mile Buffer	4 Mile: 1
General Habitat	8 Mile Buffer	8 Mile: 4
Connectivity Area	12 Mile Buffer	12 Mile: 6

Bequette Ranch TNC Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program

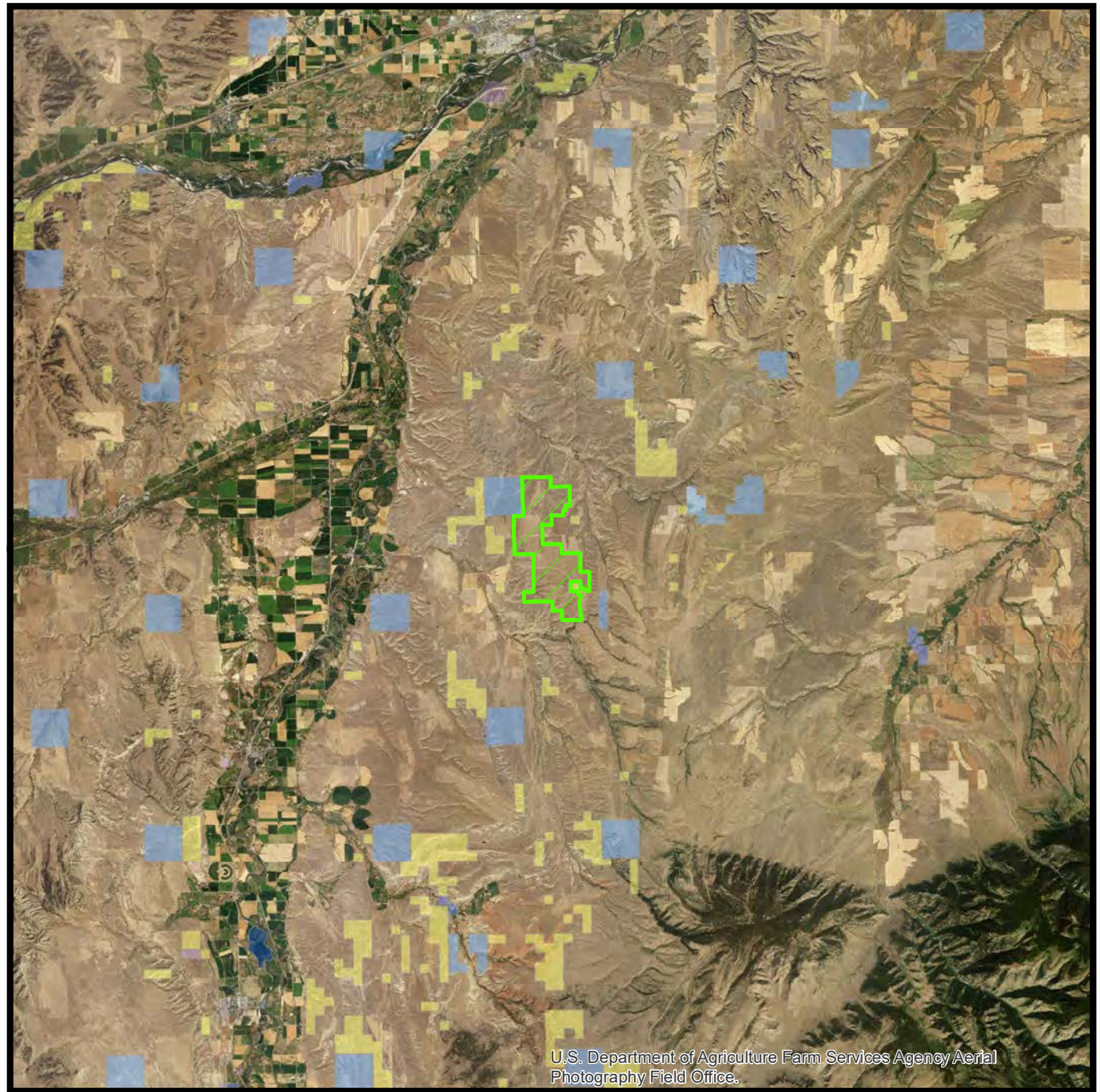
-  **Project Boundary**
-  **City Government**
-  **County Government**
-  **Montana Dept of Transportation**
-  **Montana Fish, Wildlife, and Parks**
-  **Montana State Trust Lands**
-  **State of Montana**
-  **US Bureau of Land Management**
-  **US Fish and Wildlife Service**



Project Information:

Map Date: 22 October 2020
Path File: G:\CARD\10 Sage Grouse HCP\
Grant Program\Third Cycle - November 2020\
GIS\Bequette - MLR\maps
publicLands_landscape.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



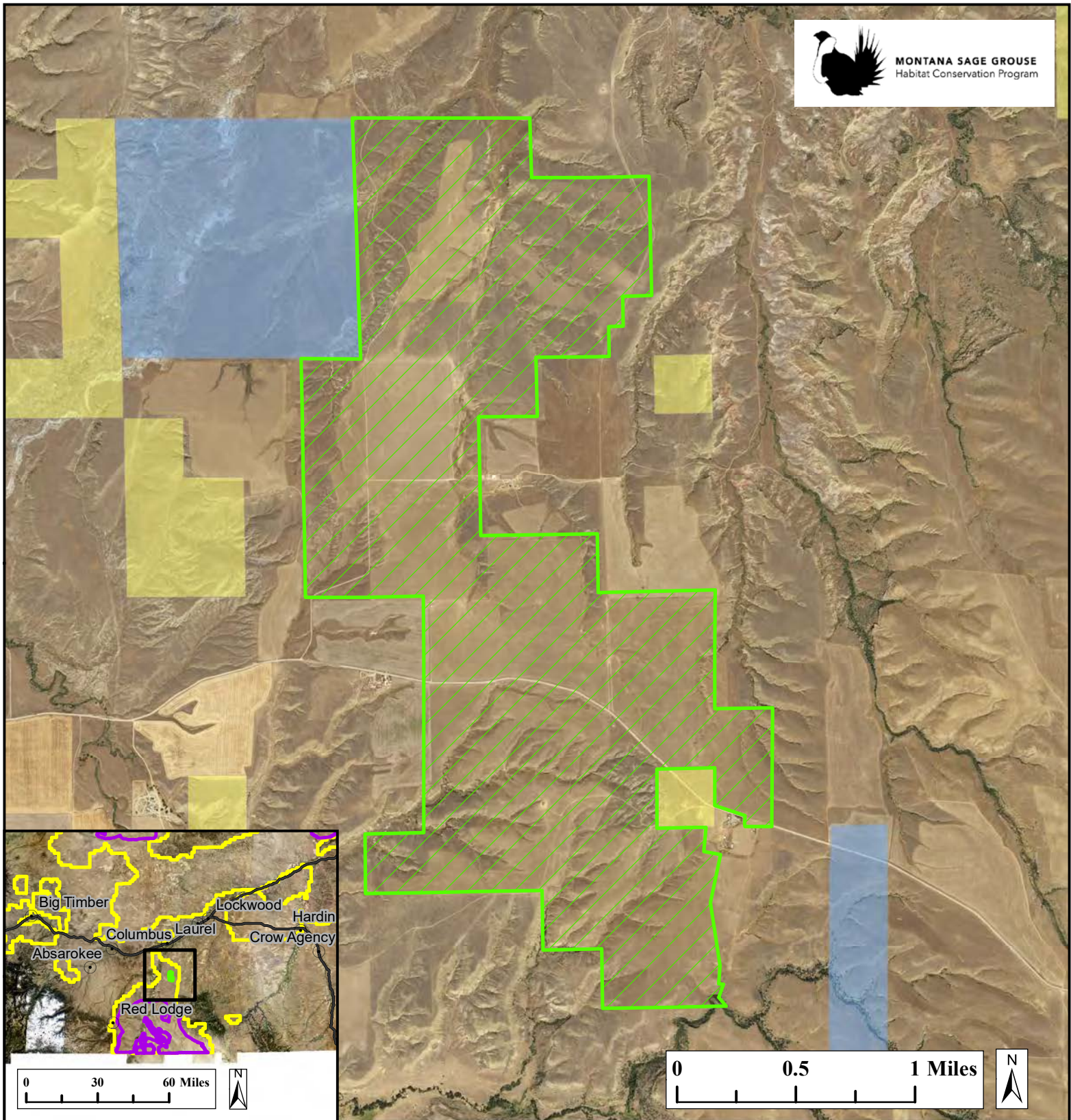
U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.

0 7.5 15 Miles

Bequette Ranch MLR Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program



Project Information:

Map Date: 22 October 2020

PathFile: G:\CARD\10 Sage Grouse HCP\
Grant Program\Third Cycle - November
2020\GIS\Bequette - MLR\maps
PublicLandDDPs.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



Project Boundary



Core Area



General Habitat



Connectivity Area



Montana State Trust Lands



US Bureau of Land Management











Percentage Conserved Lands within 4 Miles of the Bequette Ranch Conservation Easement (Montana Land Reliance)

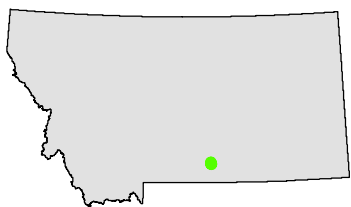


Project Information

-  Direct Project Footprint
-  Conserved Lands

Percent of Conserved Lands within 4 Miles of Project Area

-  0% - 10%
-  10.1% - 20%
-  20.1% - 30%
-  30.1% - 40%
-  40.1% - 50%
-  50.1% - 60%
-  60.1% - 70%
-  70.1% - 80%
-  80.1% - 90%
-  90.1% - 100%



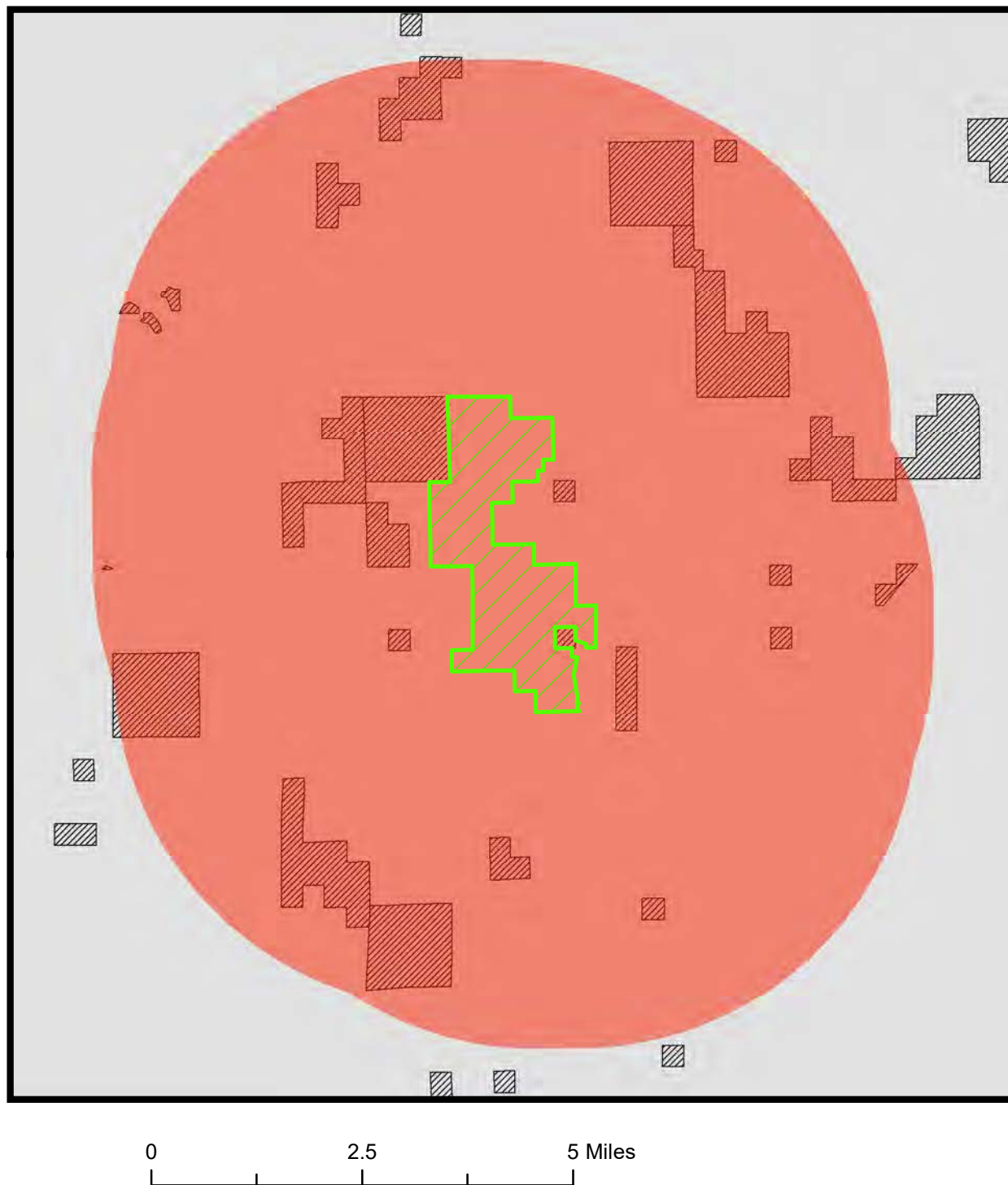
Map Information:

Map Date: 25 October 2020

File Path: G:\CARD\10 Sage Grouse
HCP\Grant Program\Third Cycle - November
2020\GIS\Alexander -

TNC\maps\4MileConservedLands.mxd

Land Management Dataset from: <http://mtnhp.org/stew.asp>





MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS COMPLETE APPLICATION

INTRODUCTION

Thank you for your interest in sage grouse conservation in Montana. Montana's goal is to conserve sage grouse and sage grouse habitats, to maintain viable populations and habitats, and maintain the flexibility to manage our own lands our wildlife, and our economy. In doing so, Montana can show that listing under the federal Endangered Species Act is not warranted in the future.

Habitat conservation is an important part of Montana's Sage Grouse Conservation Strategy. Montana recognizes the important role private landowners have played in conserving sage grouse and habitat through their land stewardship. Private landowners will continue to play an important role in conservation efforts going forward.

Montana has adopted an "all hands, all lands" approach where we work together collaboratively to address all threats. The Greater Sage Grouse Stewardship Fund is an opportunity to collaborate on sage grouse conservation.

PURPOSE OF THE GRANT PROGRAM

The purpose of the Montana Greater Sage-Grouse Stewardship Act ("Act") is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that emphasize maintaining, enhancing, restoring, expanding, and benefiting sage grouse habitat and populations on private lands, and public lands as needed, that lie within core areas, general habitat, or connectivity areas. MCA § 76-22-102(2).

The Act also requires that the majority of the grant funds be awarded to projects that generate credits that are available for compensatory mitigation. Therefore, MSGOT will prioritize grant awards to projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. The habitat quantification tool will be used to determine the final number of credits generated for any projects funded under the Grant Program.

Applications to the Grant Program do **not** constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015. Participation or receipt of Stewardship Fund Grant Program monies does not exclude or waive necessary review of any new land uses or activities subject to *Executive Order 12-2015*. Any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must also be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to that process.

Applicants are strongly encouraged to read the key documents before applying:

- The *Frequently Asked Questions, Stewardship Grants and Mitigation* document. It is found here: <https://sagegrouse.mt.gov/Grants>. It provides answers to common questions about Stewardship Account grants, mitigation, and private lands.



- The *Application and Award Process Diagram and the 2019 Deadlines* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document outlines the process and deadlines for the 2019 grants.
- The *Application Information and Guidance* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document provides a comprehensive outline of project eligibility, selection criteria, steps in the grant process from the pre-application phase to project implementation, and expectations for different project types. This document also includes the statutory requirements of the grant program located at MCA § 76-22-101 *et seq*, and the administrative rules promulgated to implement the grant program located at 14.6.101-106, ARM.
- The *Montana Mitigation System Policy Guidance Document for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. Portions of Section 1 and all of Section 2 are pertinent to mitigation credit sites. While section 3 is specifically for developers, it has information that may also provide helpful context.
- *Executive Order 12-2015*, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage-Grouse Habitat Conservation Program.
- For term lease or conservation easement projects, see the *Stewardship Account Term Lease / Conservation Easement Acknowledgment Form* at the end of the Complete Application (below).
- For restoration or enhancement projects, see the *Stewardship Account Restoration / Enhancement Acknowledgment Form* at the end of the Complete Application (below).

Applicants are also encouraged to read and become familiar with the following documents before applying:

- The *Montana Mitigation System Habitat Quantification Tool Technical Manual for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. This document explains how credits are calculated for Stewardship Account grant projects.
- *The Montana Greater Sage Grouse Habitat Conservation Advisory Council Final Recommendations*, dated January 29, 2014, and other background materials available at <http://fwp.mt.gov/fishAndWildlife/management/sageGrouse/habitatConservation/>.
- The U.S. Fish and Wildlife Service *Notice of 12 Month Petition Finding*, announcing its decision not to list the greater sage grouse rangewide under the federal Endangered Species Act (i.e. the “not warranted for listing” decision); see 80 FR 59858-59942, October 2, 2015, available at <https://www.federalregister.gov/articles/2015/10/02/2015-24292/endangered-and-threatened-wildlife-and-plants-12-month-finding-on-a-petition-to-list-greater>. Attention should be placed on portions relevant to Montana.



ADDITIONAL INFORMATION (please read before submitting an application):

How to Submit a Complete Application

All projects should be submitted on the Montana Greater Sage-Grouse Stewardship Account Grant Program Application Form in electronic format by attaching and emailing the application to sagegrouse@mt.gov. Attach additional documents and supporting information, as well. If you do not receive a confirmation email within a few days of sending the application, please send a follow up email to csime2@mt.gov.

Applications should be received via email by 11:59 p.m. on May 6, 2019. If you experience technical difficulty with the electronic submission, please contact Carolyn Sime (406-444-0554, csime2@mt.gov).

Additional Background

Grant funding is provided to implement projects that satisfy the eligibility and evaluation requirements of the Act, provide mitigation to offset development elsewhere, and which further address the primary threats to sage-grouse as identified in *Executive Order 12-2015* and by the U.S. Fish and Wildlife Service in its *12 Month Petition Finding* of “not warranted for listing” published as 80 FR 59858-59942, October 2, 2015. .

Organizations and agencies are eligible for grant funding. In addition, organizations and agencies must hold and maintain conservation easements or leases or be directly involved in sage grouse habitat mitigation and enhancement activities.

Grant recipients are required to enter into a grant agreement with MSGOT and the Program. An applicant is not a grant recipient until the grant agreement has been executed by all necessary parties. Grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act and as appropriate to the project.

Grants funds are distributed as reimbursements in most cases. This means the grantee must submit for reimbursement of expenses incurred. “Up front” funding is not allowed, unless specifically identified in a grant agreement. Similarly, reimbursement funding for activities undertaken prior to the grant agreement’s execution is not allowed.

Grant funding cannot be used to replace or supplement a grantee’s operating budget, unless the budget items directly relate to the conservation of Sage Grouse and the purpose of the grant. For example, grant funding cannot be used to obtain office space, increase a wage or salary, or for acquisition of capital goods, assets, or durable goods (trucks, GPS units, computers, software, etc.).

Depending on the project type, reports will be required. Report content and reporting interval will vary by project type and will be developed in conjunction with grantees. For example, reports for perpetual conservation easements and term leases will be required annually for purposes of monitoring compliance with the terms of the lease or easement. The content and interval for restoration or enhancement will be different.



MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS 2019 COMPLETE APPLICATION

Project Title: This should be brief (less than 10 words) but descriptive.

Bequette Property Conservation Easement

Grant Request Amount (in \$): \$220,547

Applicant(s) Information:

Name: Brad Hansen

Title: Eastern Manager

Agency/Organization: The Montana Land Reliance

Street/P.O. Address: P.O. Box: PO Box 355

City: State: Zip: Helena, Montana 59624-0355

Phone #: FAX #: (406)-443-7027 (406)-443-7061

E-mail: brad@mtlandreliance.org

Point of Contact: (name only one individual):

Name: : Brad Hansen

Title: Eastern Manager

Agency/Organization: The Montana Land Reliance

Street/P.O. Address: P.O. Box 355

City: State: Zip: Helena, Montana, 59624-0355

Phone #: FAX #: (406)-224-3685

E-mail: brad@mtlandreliance.org

Proposal Prepared by: Leave blank if same as Point of Contact.

Name

Title:

Agency/Organization:

Street/P.O. Address:

City: State: Zip:

Phone #: FAX #:

E-mail:

Request: One-time Payment or Reimbursable

One-Time Payment

Is this a multi-year project for which future grants will be sought? If so, explain.

No

All Project Partners/Cooperators. Provide contact information for all persons, organizations, and agencies:

(A) involved in the proposed project

The Montana Land Reliance (MLR)



Brad Hansen
P.O. Box 355
Helena, MT 59624
Work (406)-443-7027
Email: brad@mtlandreliance.org.

Natural Resources Conservation Service (NRCS)
USDA Natural Resources Conservation Service
10 East Babcock Street, Room 443
Bozeman, MT 59715-4704
Work (406)-587-6811
Fax: 855-510-7028

Montana Sage Grouse Oversight Team (MSGOT)
Carolyn Sime
Sage Grouse Habitat Conservation Program Manager
Department of Natural Resources and Conservation
P.O. Box 201601
1539 11th Ave.
Helena, MT 59620
Email: csime2@mt.gov
Work (406) 444-0554
Cell (406) 431-8628
Fax (406) 444-6721

(B) who own lands in the project location, or

Dave Bequette
PO Box 1147
Laurel, MT 59004-1147

(C) who own lands for which the grant applicant is claiming project benefits.

For each identified person, organization, or agency, describe their role in the proposed project.

The Montana Land Reliance (MLR) – Qualified land trust, easement holder
Natural Resource Conservation Service (NRCS) – Matching Funds
Montana Sage Grouse Oversight Team (MSGOT) – Funding, retain sage grouse mitigation credits
Dave Bequette – Landowner

Identify any MOUs, agreements, or contracts associated with the project.

N/A

Project Type - Preservation (easement or lease), Habitat Restoration, Habitat Enhancement, or Combination:



Preservation - Easement

If the grant application is a Habitat Restoration or Habitat Enhancement project, is the restoration or enhancement site included within a proposed lease as a combination project in this application? Yes/No.

N/A

If No, please describe the measures in place or that would be put into place to protect the site's newly-restored or newly-enhanced habitat conservation values.

N/A

Project Narrative: Describe the project and its duration. Include the problems or threats specifically identified at the project location, what actions the project will undertake, and how such actions will address the threats and satisfy the stated goals and objectives of the project. (3 pages of narrative or less)

Activities:

The Montana Land Reliance (MLR) is seeking funding to purchase a perpetual conservation easement on the Bequette property located in Carbon County, Montana. A multi-generation ranching family, the Bequette's are committed to conserving their land to benefit the greater sage grouse and to ensure the property remains intact and passed on to the next generation.

The easement will protect 2,567-acres of general sagebrush and grassland habitat as defined by the State of Montana's Sage Grouse Executive Order. The lands seeking funding are home to multiple species of concern including (but not limited to) the greater sage grouse, pronghorn, Baird's sparrow, Sprague's pipit, McCown's longspur, and lark bunting.

As the attached geospatial data illustrate, the property is located in a part of Carbon County that still exhibits intact areas of native grasslands and sagebrush habitat. The Bequette property is home to the northernmost greater sage grouse lek in Carbon County, and due to the abundance of birds, has been the location of sage grouse viewing events hosted by Field and Stream. To reduce sage grouse mortality, the Bequette's have partnered with NRCS to install reflective fencing on the property and to implement beneficial grazing and haying practices (see attached letter of support from Krist Walstad, NRCS). The property is also adjacent to other protected acres including State of Montana Trust lands.

As of 2019, Montana Fish, Wildlife and Parks have identified at least one active sage grouse lek on the Bequette property and another two leks within a 6 mile radius. This project provides the state an opportunity to ensure this prime habitat remains a viable option for continued use by sage grouse and other threatened species long into the future.

Outcome(s):

The outcome of this project would be the permanent protection of 2,567 acres of native grassland and general sagebrush habitat in eastern Montana. The easement will expressly prohibit conversion of sagebrush and grassland habitat to cropland and will place restrictions on future subdivision and development. The easement terms will provide exceptional protection for the greater sage grouse and other species of concern in the area.



This project provides an excellent return on investment for the state as the project area will generate numerous credits. As detailed in the Budget, the Bequette property was awarded funding through the NRCS Agricultural Lands Easement (ALE) program in 2020. The ALE dollars will act as matching funds. MLR is seeking funding for 25% of the easement value and minimal fixed project costs from the state.

MLR has the staff expertise and infrastructure in place to see this project through to completion, monitor, and enforce the terms of the easement in perpetuity. Protecting these lands will lead to positive outcomes for species of concern, as well as the human species living on the land. These funds will flow back into the local economy and will help secure the future of traditional agriculture in Carbon County, Montana.

Project Team:

Brad Hansen – Project Manager

Lois Delger-DeMars – Managing Director and Easement Drafter

Management Relevance/Conservation Benefit: Describe the benefits to be achieved if the project is implemented. (200-word narrative or less)

If awarded funding, a perpetual conservation easement on the Bequette property would conserve sage grouse habitat, maintain viable sage grouse populations, and prevent grassland to cropland conversion. Furthermore, a conservation easement would prevent additional, subdivision, and/or development on the 2,567-acre property.

Problem / Threat Analysis: Describe the sage grouse problems/threats being addressed by the project and why the project is necessary. (Approximately 100 words)

This project would be the first MSGOT funded easement in Carbon County. Without immediate efforts to protect sage grouse populations in Carbon County, development pressure and habitat loss may lead to extirpation of the greater sage grouse from this part of the state.

Project Location:

UTM Coordinates (Easting, Northing, Zone, Datum):

PLSS Description (County Township Range Section/s):

Township 4 South, Range 24 East, P.M.M., Carbon County, Montana
Section 14: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, Excepting therefrom the E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 15: S $\frac{1}{2}$, NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$
Section 21: E $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 22: NW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ E $\frac{1}{2}$ NW $\frac{1}{4}$



Section 26: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$; EXCEPTING therefrom the following 2 tracts of land: 1. Certificate of Survey No. 1734 2. Certificate of Survey No. 1734 Corrected
Section 27: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$
Section 34: N $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$
Section 35: W $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$; EXCEPTING therefrom the following 3 Tracts of land: 1. Certificate of Survey No. 1277 2. Certificate of Survey No. 1734 3. Certificate of Survey No. 1734 Corrected

Project Location map(s): Please submit maps as attachments to this document. Be sure to include titles, labels and descriptive references.

Attached

County name/s: List all counties where the project will occur.

Carbon County

Size of Project Area:

Total acres within project boundary, or directly affected by project: 2,567

Total acres indirectly affected by project (explain): 1,280

Within a 3 mile radius of the Bequette property there are an additional 1,280 acres of public lands that qualify as general sage grouse habitat. These acres will indirectly benefit from a perpetual easement on the Bequette property.

Are there any existing surface use agreements: Yes/No

If there are existing surface use agreements, please describe the nature of the agreements, their duration, and expiration date. Does the lease contain an option to renew?

No

If the participating private landowners do not own the mineral rights, are the mineral right owners known? Yes/No

Landowner does not own mineral rights. The owners are unknown.

Are there any existing mineral leases? Yes/No

If there are existing mineral leases, please describe the nature of the leases, their duration, and expiration date. Does the lease contain an option to renew?

No



Has a mineral remoteness review test been completed? Yes/No. If yes, please describe the conclusions. If no, is one is expected to be completed and if so, when would results be known?

No – Assuming a successful application for funding, a mineral remoteness test will be completed as part of due diligence and provided to MSGOT as required.

Is any portion of the Project Area enrolled in NRCS Farm Bill Programs? Yes/No

If yes, please describe. For example, which NRCS program and when does the project expire? Provide the Township / Range / Section of the enrolled lands.

Yes, EQUIP as well as CSP. The EQUIP contract goes through 2021. The CSP contract expired October 1, 2020. Copies of these contracts can be made available upon request.

If there are State Trust Land parcels and /or BLM parcels within the boundary of the proposed project, do the participating landowners hold the appropriate state or federal lease, grazing or farming authorizations? Yes/No. If yes, please provide some background information about the authorization and its expiration date. If no, please provide some additional background.

No

Surface Land Ownership:

(check all that apply) Federal _____ State _____ Private ☒ _____

If project will affect a mosaic of land ownerships (e.g., mix of federal, state and/or private lands), provide a breakdown for each specific owner type by acres and percent of total project area.

	Federal	State	Private	Total
Directly Affected				
Acres			2,567	2,567
Percent of Total			100	100
Indirectly Affected				
Acres				
Percent of Total				

Project Activity Description: (check all that apply)

☐ **Reduction of Conifer Encroachment**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

Reduction of Invasive Weeds

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

Maintenance/Restoration/ Improvement of Sagebrush Health or Quality

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

X Purchase/Acquisition of a Term Lease or Conservation Easement

	Federal	State	Private	Total
Core Area				
Acres			2,567	2,567
Percent of Total			100	100
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

Incentives to Reduce Conversion of Grazing Land to Cropland

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ **Restoration of Cropland to Grazing Lands**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ **Demarcation of Fences**

	Federal	State	Private	Total
Core Area				
Miles				
Percent of Total				
General Habitat				
Miles				
Percent of Total				
Connectivity Area				
Miles				
Percent of Total				

_____ **Reduction of Unnatural Perching Platforms for Raptors**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Reduction of Unnatural Safe Havens for Predators**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				



Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Other: Briefly Explain**

	Federal	State	Private	Total
Core Area				
Number of Acres or Structures				
Percent of Total				
General Habitat				
Number of Acres or Structures				
Percent of Total				
Connectivity Area				
Number of Acres or Structures				
Percent of Total				

_____ **Modification of Fire Management to Conserve Sage Grouse Habitat or Populations (Briefly explain)**

N/A

Vegetation Management: If the project involves any vegetation management, manipulation, or treatment (i.e. conifer reduction, grazing land management, sagebrush management or restoration wildfire management) complete the following. (Check all that apply.)

Mechanical Treatment _____ Chemical Treatment _____ Prescribed Fire _____
 Restoration _____ Reseeding/Planting _____ Deferred Grazing _____
 Invasive/Noxious Plant Removal _____ Other(s) (explain) _____

Identify the post-treatment management strategies to be implemented (e.g. livestock grazing plans, weed control, infrastructure maintenance, etc.). (500-word narrative or less. Attach additional information if necessary.)

N/A

Local Impacts: Describe any impacts or benefits to the local communities, including socioeconomic impacts or benefits. (200-word narrative or less. Attach additional information if necessary.)



State funds allocated to this project will result in a net increase in the amount of protected habitat available to sage grouse, while the money will flow directly back into the agricultural community. The funds will contribute to the Bequette family's objective to remain an active agricultural producer in Montana. With a conservation easement in place, the property will not be subdivided and will remain as wildlife habitat and/or agricultural lands in perpetuity, protecting traditional land uses and economic development and infrastructure in the region.

MLR's success in conserving over 1.2 million acres (898 easements) statewide is driven by positive relationships with landowners. As of September 2020, MLR holds 24 conservation easements totaling 33,162 acres in Carbon County. These acres, combined with state and federally protected lands, creates a wide-ranging and connected neighborhood of conserved lands in sage grouse habitat.

Other Benefits: List and describe any other benefits that will be achieved from the project. (e.g. educational, economic, research, public access, other environmental or conservation services, etc.)

Expected duration of effects from proposed project: Check the appropriate box.
____ 1-15 years; ____ 15-20 years; ____ 20-25 years; ____ 25-30 years; ____ 30-35 years; ____ 35-40 years; ____ 40-45 years; ____ 45-50 years; **X** in perpetuity.

If the expected duration is in perpetuity, please explain how the applicant and project participants will legally and physically ensure perpetual protection of the proposed habitat project and its benefits.

The Montana Land Reliance monitoring policy is as follows:

In an effort to discharge MLR's obligation to the public, staff shall monitor each conservation easement annually conducting appropriate discussions with the owner and/or manager about terms of the easement, condition of the land, and its management, and prepare suitable file documentation. Stewardship staff shall be given maximum discretion to tailor monitoring needs, including site visits and stewardship opportunities, to the particular characteristics of the property, the easement, and the property owner.

If the expected duration is a term of years, please explain how the applicant and project participants will ensure protection of the proposed habitat project and its benefits.

Total Montana Greater Sage Grouse Stewardship Account Funding Request:

Cash \$ 220,547

Percentage of Total Project Cost 26 %

Narrative Details for Matching Funds: list all sources of matching funds or in-kind contributions, the amount, whether such funds are in-hand or committed, and any limitations on the use of such funds.



Source or Match	Amount	In-kind Cash?	or	In-hand Committed?	or	Any Limitations?
NRCS	601,641	Cash		Committed		None

Narrative explanation of whether matching funds are in-hand, committed, or have been applied for through other granting opportunities. If not in-hand at the time the application is submitted, please address timeline for when decisions regarding the other granting opportunities will be made and communicated to applicants.

The Bequette property was awarded funding through the NRCS-ALE program in 2020, which will act as matching funds for this project and cover all fixed project costs except the \$20,000 Perpetual Easement Stewardship Fee. MLR's request for only 25% easement value provides the state exceptional benefit. The state would be the recipient of all credits generated from the project while only paying 25% of the easement value plus the stewardship fee.

For in-kind contributions, explain basis and method for valuation:

N/A

For cash match that is committed but not yet in-hand, explain the circumstances of the commitment, the date committed, and if cash, when the cash will become available:

The Bequette property was awarded funding through the NRCS-ALE program in 2020, which will act as matching funds for this project. The ALE funding will be allocated in 2021.

If including any project monitoring or stewardship costs, please explain how the budget item listed in the tables below directly relate to the purposes of the grant. [Grants may not be used to supplement or replace the operating budget of an agency or organization except for budget items that directly relate to the purposes of the grant. § 76-22-110(4), MCA.]

The long term stewardship of this property is critical to the overall success of the program and project. MLR is committed to ensuring the terms of the easement are honored in perpetuity.

Restoration or Enhancement Project Costs / Budget (Complete the table below if the application is for restoration or enhancement projects; if restoration or enhancement areas would also be included in a lease or conservation easement, separate out project costs / budget accordingly by completing both this table and the one below.)

Item	Matching Cash Contribution	Matching In- Kind Contribution	Stewardship Account Request	Total
Project Planning and Design				
Contractor Costs				

Permitting				
Other				
Project Implementation				
Contractor Costs				
Supplies/Materials				
Equipment Costs				
Salaries/Labor				
Other				
Project Monitoring				
Operation and Maintenance				
Total Cost Estimate				

Term Lease or Conservation Easement Project Costs / Budget (Complete the table below if the application is for a term lease or conservation easement; if a term lease or conservation easement project would also include restoration or enhancement activities, separate out project costs / budget accordingly by completing both this table and the one above.)

Item	Matching Cash Contribution	Matching In-Kind Contribution	Requested Contribution	Total
a. Project Planning and Design				
Engineering Applicant				
Contractor				
Landowner				
Baseline Inventory Report (Environmental Documentation Report) Applicant	7,000			7,000
Contractor				
Environmental Hazards Assessment				
Survey				
Mineral Report Applicant	5,000			5,000
Contractor				
Appraisal	18,000			18,000
Title Commitment	750			750
Title Insurance				
Mortgage Subordination				
Resolution of Legal Access				
Land Trust Transaction Fee				
Appraisal				
Closing and Recording Fees	250			250
Other Expenses				
Sub-Total	31,000			31,000
b. Project Implementation				
Manpower Applicant				
Contractor				
Landowner				
Equipment Applicant				
Contractor				
Landowner				

Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Perpetual Easement Stewardship Fee / Endowment			20,000	20,000
Total Easement Value	570,641		200,547	771,188
Other				
Sub-Total	570,641		220,547	791,188
c. Project Operation/Maintenance				
Manpower				
Applicant				
Contractor				
Landowner				
Equipment				
Applicant				
Contractor				
Landowner				
Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Monitoring Stewardship				
Other				
Sub-Total				
d. GRAND TOTAL	601,641		220,547	822,188

If a Conservation Easement, Summary of Acquisition Budget:

Appraised Value of Conservation Easement: _____ \$802,188 _____
Landowner Donation: _____ \$0 _____
NRCS-ALE Match: _____ \$601,641 _____
Purchase Price: _____ \$220,547 _____

Source of Easement Funds: (list all sources)

Stewardship Account: _____ \$220,547 _____
NRCS Match: _____ \$601,641 _____
Other: _____
Other: _____



Project Readiness / Implementation Schedule: List time line including month and year when project is expected to be initiated and completed.

The project will begin as soon as funding determinations are made and will be complete during the grant cycle.

Month/Year overall project begins:

January 2021

Month/Year overall project ends:

January 2022

Month/Year Stewardship Account Grant funding would begin:

January 2021

Month/Year Stewardship Account Grant funding would end:

January 2023 (Assuming a three-year grant agreement)

Likelihood of Implementation: Have all necessary permits/approvals been obtained? Projects judged unlikely to be implemented may be given lower priority.

PERMIT OR AUTHORIZATION	REQUIRED		SUBMITTED		APPROVED	
	Yes	No	Yes, Date	No, date expected	Yes, Date	No, date expected
Cultural Resource Inventory		X				
COE Section 404 Permit		X				
Cooperative Agreement(s)		X				
*NEPA Analysis		X				
Pesticide Application Permit		X				
Private Landowner Agreement(s)		X				
Sensitive Species Clearance		X				
Surface/Ground Water Permits		X				
T/E Species Clearance		X				
County Planning Authority Approval	X					

***If NEPA is Required:** What is the type of NEPA analysis required: Environmental Impact Statement (EIS); Environmental Assessment (EA); Categorical Exclusion (CE); Biological Assessment/biological Evaluation (BA/BE); etc.? What federal agency will conduct the analysis and who is the primary agency contact? What is the estimated submittal and approval dates?



Project Timeline and Estimated Completion Date. (Explain, 200 words or less)

Brad Hansen began meeting with the Bequette family in 2019 to discuss placing an easement on their property. During the 2020 NRCS-ALE grant cycle the Bequette property was awarded funding. We anticipate the following timeline to be executed moving forward:

December 2020: MLR will complete a draft conservation easement

January 2021: MLR will complete final draft of conservation easement for the Bequette family to review.

June 2021: MLR will be positioned to close easement by year-end

Perpetuity: MLR will monitor property

Project Monitoring Plan: All projects require monitoring to determine effectiveness relative to the statutory purposes of the Act to conserve sage grouse habitat and populations. Identify what monitoring program and protocols are in place or will be put in place to assess and quantify the results achieved by the project. Identify those responsible for monitoring. Include both short-term and long-term monitoring. A Project Close-out Report may be required for each project upon completion, to allow tracking of expenditures and attainment of results. Photos, summaries, etc. may be required. If a monitoring plan has not yet been developed, the Sage Grouse Habitat Conservation Program will work collaboratively with successful applicants to develop a plan. (Approximately 2 pages of narrative or less. Attach additional documentation if needed.)

The Montana Land Reliance monitoring policy is as follows:

In an effort to discharge MLR's obligation to the public, staff shall monitor each conservation easement annually, in to perpetuity, conducting appropriate discussions with the owner and/or manager about terms of the easement, condition of the land, and its management, and prepare suitable file documentation. Stewardship staff shall be given maximum discretion to tailor monitoring needs, including site visits and stewardship opportunities, to the particular characteristics of the property, the easement, and the property owner.

Attachments and Supporting Documentation. (Required documentation and supporting materials will vary by project type, but check all that are available at the time of submitting a complete application. The Program may contact grant applicants for additional clarification.)

☒ Project Design / Maps

☒ Final Spatial Data

☒ Letters of Support

☒ Site Management or Stewardship Plan

☐ Grazing Plan, if applicable

☐ Restoration Plan, if applicable

☐ Enhancement Plan, if applicable

☒ Draft Term Lease or Conservation Easement with terms, if applicable

☐ Mineral Remoteness Review Report for perpetual conservation easements

☒ Market Appraisal for perpetual conservation easements



- ☒ Site Monitoring Plan
- ☒ *Stewardship Account Term Lease / Conservation Easement Acknowledgement* (see below; include as many signatory pages as there are project participants)
- ☐ *Stewardship Account Restoration or Enhancement Project Acknowledgement* (see below; include as many signatory pages as there are project participants)
- ☒ Budget
- ☐ MOUs and other Agreements
- ☐ Other (list): _____

For those attachments and supporting documentation that are not available at the time of submitting a complete application, indicate when they will become available:

Mineral Remoteness Review Report: Assuming a successful application for funding, a mineral remoteness report will be completed as part of due diligence and provided to MSGOT as required.

Additional Information for Consideration.

Signed "General Acknowledgements" have been scanned and included in a separate folder.



GENERAL ACKNOWLEDGEMENT, ALL PROJECTS

Please initial each verification or acknowledgment and sign below.

DB All Applicants verify that they have read the *Application Information and Guidance* document before filling out this application.

DB All Applicants verify that they have read Executive Order 12-2015, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage Grouse Habitat Conservation Program.

DB All Applicants acknowledge that grant recipients are required to enter into a grant agreement with MSGOT and the Program, and that an applicant is not a grant recipient until a grant agreement has been executed by all necessary parties. Such grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act.

DB All Applicants acknowledge that MSGOT will prioritize grant awards for projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. Such assurances may be included in the grant agreement but will be included in other project documents.

DB All Applicants acknowledge that applications to the Grant Program do not constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015, and any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must still be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to its procedures or process.

DB (If this Application seeks grant funding for a conservation easement or a term lease) All applicants verify that all parties to the term lease or conservation easement have read and signed the attached the *Stewardship Account Term Lease / Conservation Easement Acknowledgement Form*. Include as many copies as there are project participants.

DB (If this Application seeks grant funding for a restoration or enhancement project) All applicants verify that all parties to the project have read and signed the attached the *Stewardship Account Restoration or Enhancement Project Acknowledgement Form*. Include as many copies as there are project participants.

Signature: David M. Bequette

Printed Name: DAVID M. BEQUETTE

Title: owner

Date: 10-6-2020



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

All parties to the proposed term lease or conservation easement must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor, and every land trust or holder of the conservation easement. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any lease or conservation easement selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the applicable lease or conservation easement agrees through the grant agreement and the lease or easement document to establish the State of Montana as a third-party beneficiary to the lease or easement with a contingent right to enforce the terms of the lease or easement if the grantee fails to do so.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree through the terms of the lease or conservation easement that the lease or conservation easement may not be transferred for value, sold, or extinguished without consent of the State of Montana or its agents.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree that the lease or conservation easement will recognize the State of Montana or its agent's right to take legal action to enforce the terms of the lease or easement or to recover from the proceeds of the transfer for value, sale, or extinguishment the state's pro rata share of the proceeds based on the funds the state provided pursuant to this part for the creation of the lease or easement.

The signatories further acknowledge that MSGOT will retroactively calculate, own, and make available credits for leases and conservation easements purchased with grant funds using the most current version of the Habitat Quantification Tool and the Policy Guidance documents and applicable state laws.

The signatories further acknowledge that monitoring reports will be required. The content and reporting interval will be developed collaboratively between the grant recipient and the Montana Sage Grouse Habitat Conservation Program. Reporting requirements will be tailored the project.

The signatories further acknowledge that grant recipients and the Montana Sage Grouse Habitat Conservation Program will collaboratively develop and agree upon the schedule or frequency of payments from the Stewardship Account. The schedule will be included in the grant agreement.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program or its agents can inspect the lands and verify the credits created from lands included within the term lease or conservation. At all times, the state will seek to make arrangements well ahead of time, provide reasonable prior notice, and will not interfere with the landowner's use and enjoyment of the land.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program will work with the grant recipient and participating landowners to develop a credit site mitigation plan. The plan will describe the credit estimation, verification, and



monitoring processes. In most cases, existing stewardship plans, grazing plans, or similar will suffice and the mitigation plan will recognize them, while setting out the credit details of the site.

The signatories further acknowledge that term leases should be filed in the county of record, similar to perpetual conservation easements.

The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the lease or conservation easement and otherwise allow the State of Montana or its agents to protect its interests as third-party beneficiaries to the lease or conservation easement.

Signature:

Printed Name:

D. DuBeault
David M. BeQuette

Title:

Role in the Project

(owner, land trust, etc.):

owner

Date:

10-6-2020

Bruce Hansen

Bruce Hansen

Executive Manager

The Montana Land Reliance

Land Trust

10/15/2020



STEWARDSHIP ACCOUNT RESTORATION OR ENHANCEMENT PROJECT ACKNOWLEDGEMENT

All parties to the restoration / enhancement project must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor who have a nexus with the area where the restoration or enhancement project would be implemented. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any restoration or enhancement project selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the project agrees.

The signatories further acknowledge that if the restoration or enhancement project area is not also included within the perimeter of a term lease or conservation easement on the same grant application as a combination project or otherwise protected by an existing lease or conservation easement, the signatories will develop a legal or site protection instrument to protect the conservation values newly-created by the restoration or enhancement activities funded through the Stewardship Account. Examples include a term lease or term deed restriction that is filed with the county of record.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program will work with the grant recipient and participating landowners to develop a credit site mitigation plan. The plan will describe the credit estimation, verification, and monitoring processes. In most cases, existing stewardship plans, grazing plans, or similar will suffice and the mitigation plan will recognize them, while setting out the credit details of the site.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program or its agents can inspect the lands and verify the credits created from lands included within the term lease or conservation. At all times, the state will seek to make arrangements well ahead of time, provide reasonable prior notice, and will not interfere with the landowner's use and enjoyment of the land.

The signatories further acknowledge that MSGOT will retroactively calculate, own, and make available credits from restoration and enhancement projects funded with Stewardship Account funds using the most current version of the Habitat Quantification Tool and Policy Guidance documents and according to applicable state laws.

The signatories further acknowledge that monitoring reports will be required. The content and reporting interval will be developed collaboratively between the grant recipient and the Montana Sage Grouse Habitat Conservation Program. Reporting requirements will be tailored the project.

The signatories further acknowledge that grant recipients and the Montana Sage Grouse Habitat Conservation Program will collaboratively develop and agree upon the schedule or frequency of payments from the Stewardship Account. The schedule will be included in the grant agreement.

The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the restoration or enhancement project site.



Signature:

Printed Name:

David M. BeQuotte
DAVID M. BeQuotte

Title:

Role in Transaction

(owner, land trust, etc.):

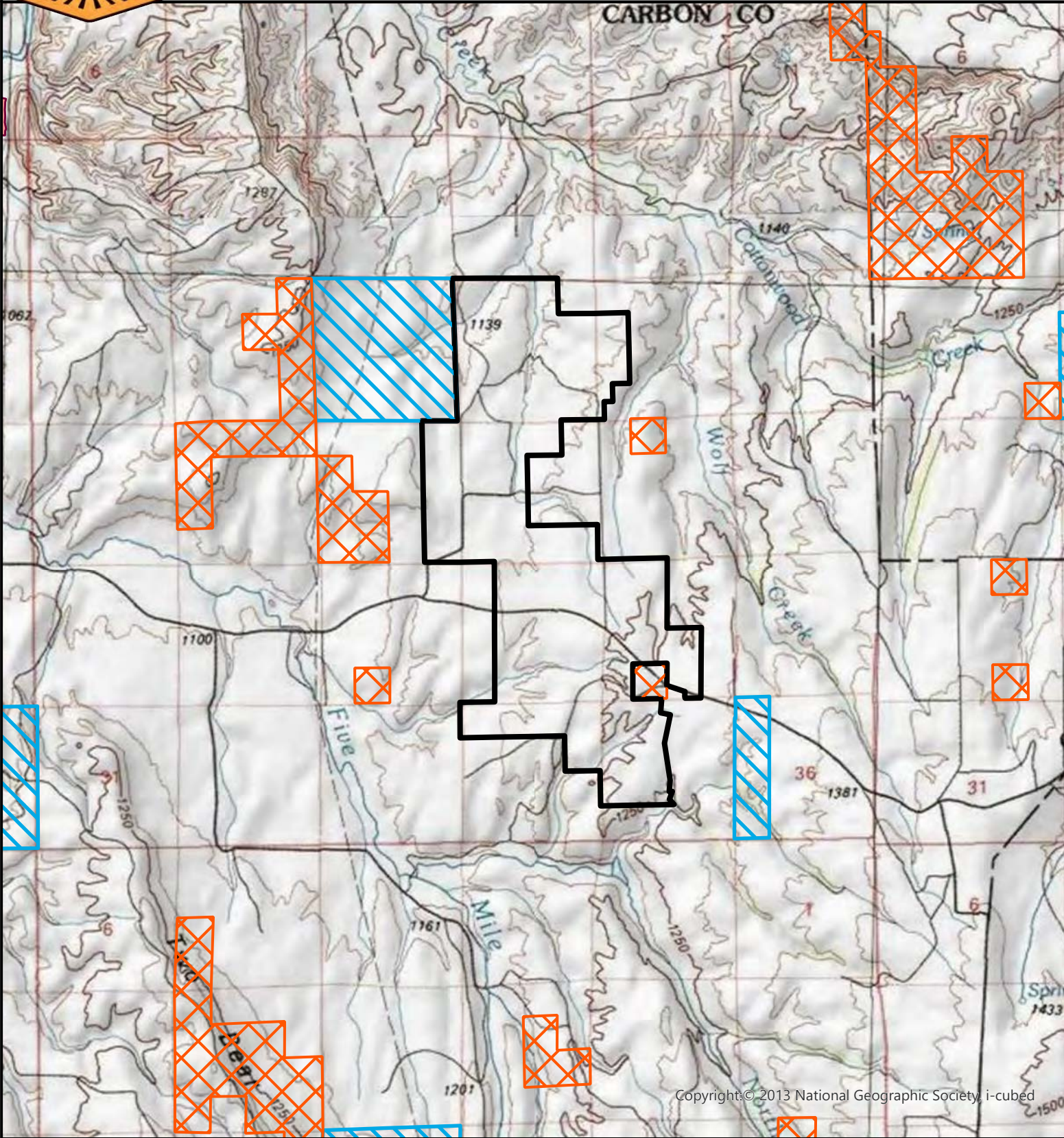
owner

Date:


10-6-2020



BEQUETTE PROPERTY



Copyright © 2013 National Geographic Society, i-cubed

 Subject Property
Acreage: 2,523.96



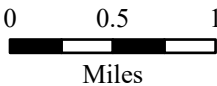
BLM



State Lands



Other Conservation Easement



MONTANA ASSOCIATION OF LAND TRUSTS

MALT MEMBERS

Bitter Root
Land Trust,
Hamilton

Kaniksu
Land Trust,
Sandpoint, ID

The
Conservation
Fund,
Missoula

Five Valleys
Land Trust,
Missoula

Flathead
Land Trust,
Kalispell

Gallatin Valley
Land Trust,
Bozeman

Montana Land
Reliance,
Helena

The Nature
Conservancy,
Helena

Prickly Pear
Land Trust,
Helena

Rocky Mountain
Elk Foundation,
Missoula

The Trust
for Public Land,
Bozeman

Vital Ground
Foundation,
Missoula

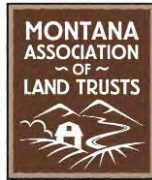
AFFILIATE MEMBERS

Missoula County
Community and
Planning Services

Land Trust
Alliance

Ducks Unlimited

Montana Fish,
Wildlife & Parks,
Land Program



Glenn Marx, Executive Director 490-1659
P.O. Box 892, Helena MT 59624
Email: montanamalt@q.com
Website: montanalandtrusts.org

October 15, 2020

Support Letter Proposed Bequette Project

Carolyn Sime
Sage Grouse Habitat Conservation Program Manager
Department of Natural Resources and Conservation
PO Box 201601
1539 11th Ave
Helena, MT 59620

Dear Ms. Sime,

The Montana Association of Land Trusts and its membership have been active and strong supporters of the Montana Sage Grouse Habitat Conservation Program and sage grouse conservation since the current program's conceptual inception in 2013. We also continue to laud the primary focus of the program, which is a clear Montana policy priority for retention of state authority over sage grouse management.

A key provision within the overall state sage grouse effort is the Sage Grouse Stewardship Account Grant Program, and the Montana land trust community has been a champion of the stewardship grant awards and the essential creation of sage grouse mitigation credits. With over half of the state's sage grouse core habitat and over half the state's sage grouse population found on private lands, the kind of voluntary, incentive-based conservation embodied within the sage grouse stewardship awards is a vital component for the long-term policy goal of state sage grouse management.

The Montana Land Reliance has worked with landowners on Montana conservation projects for over four decades, has worked with Montana landowners to permanently conserve over a million acres of private land, and is a nationally-recognized land trust leader in both the quality and quantity of conservation it produces in partnership with landowners.

MLR has also been a major advocate for the state sage grouse program as well as an active and creative participant in sage grouse stewardship award accomplishments. MLR has worked with MSGOT and the program through stewardship grants on the impressive 44 Ranch, Rath's Ranch, and Marc Lewis projects. MLR has worked also with Denbury Resources and the Ringling Ranch on the MSGOT unanimously-approved permittee responsible mitigation conservation easements on the Ringling Ranch.

The proposed Bequette property conservation easement in Carbon County is another excellent example of MLR working thoughtfully and creatively with a landowner to conserve sage grouse habitat and assist the State of Montana to accomplish a major policy goal by retaining state sage grouse management.

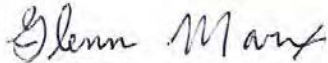
The proposed 2,567-acre conservation easement is entirely within identified sage grouse general area, and would permanently prohibit development and permanently prevent conversion of grassland to cropland. In addition, the proposed project area abuts approximately 640 acres of State of Montana Trust Lands providing beneficial and crucial conservation connectivity in the area.

The proposed conservation easement would – under a rough initial calculation performed by the sage grouse program – generate approximately 8,274 mitigation credits. MLR has worked to leverage the requested amount of \$220,547 in sage grouse stewardship award funds with \$601,641 from the Natural Resources Conservation Service (NRCS) Agricultural Lands Easement (ALE) Program.

Given the sage grouse habitat benefits provided by this proposed permanent easement, the proposed project's ability to generate sage grouse mitigation credits, and the proposed project's added bonus of expanding and strengthening existing conservation on adjoining conserved lands, the Bequette property appears to be a solid fit for the sage grouse habitat conservation program funding and for MSGOT project approval.

Thank you for considering these comments in support of the Bequette property sage grouse habitat conservation project, and please let us know if you have questions or comments about our support for the project and our recommendation of MSGOT approval.

Best wishes,

A handwritten signature in dark ink that reads "Glenn Marx". The signature is written in a cursive, flowing style.

Glenn Marx
Executive Director
Montana Association of Land Trusts



Natural Resources Conservation Service
PO Box 510
606 W Front St
Joliet, MT 59041

Phone (406) 962-3641
Fax (406) 962-3995

October 6, 2020

To whom it may concern:

I have worked with Dave Bequette over the past 6 years on conservation practices to address threats sage grouse on his property. Since that time, Dave has installed livestock water systems (wells, pipelines and tanks) and cross fencing to allow for prescribed grazing for the purpose of improving sage grouse habitat. With respect to grazing management, Dave has adjusted the number of cattle on his ranch to match the forage availability, changed the season of use of pastures, and shortened the duration of grazing, lengthen the recovery time of each pasture to benefit rangeland health, range trend, and wildlife habitat, specifically sage grouse. New cross fences installed as well as existing fences have been marked to make them sage grouse friendly according to NRCS specifications. Dave is in the second year following his prescribed grazing plan and starting to see benefit of this type of grazing. With the infrastructure that Dave has put in place, continuing to follow his grazing plan, and putting a conservation easement on the property, sage grouse will benefit into perpetuity.

Sincerely,

A handwritten signature in blue ink that reads "Kristin Walstad". The signature is written in a cursive, flowing style.

Krist Walstad
District Conservationist
Joliet Field Office

Fauth Ranch

Fauth Ranch Conservation Easement Project Analysis			
	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Total Acres included in Easement Area	8,315	96,708	453,990
Core Acres	8,315	75,421	196,217
General Acres	0	21,287	186,198
Connectivity Acres	0	0	0
Outside Habitat	0	0	71,575
Percent Core	100%	78%	43%
FWP Lek Count (May be other Leks present)	1	6	15
FWP Total Male Count (Most Recent)	24	99	389
FWP Avg. Male Count	24	17	26
Project Cost/Acre	\$219.75	NA	NA

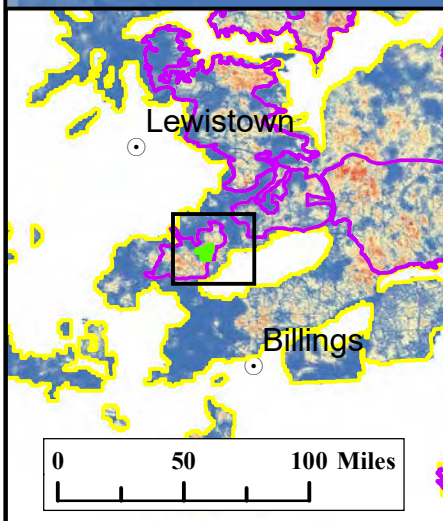
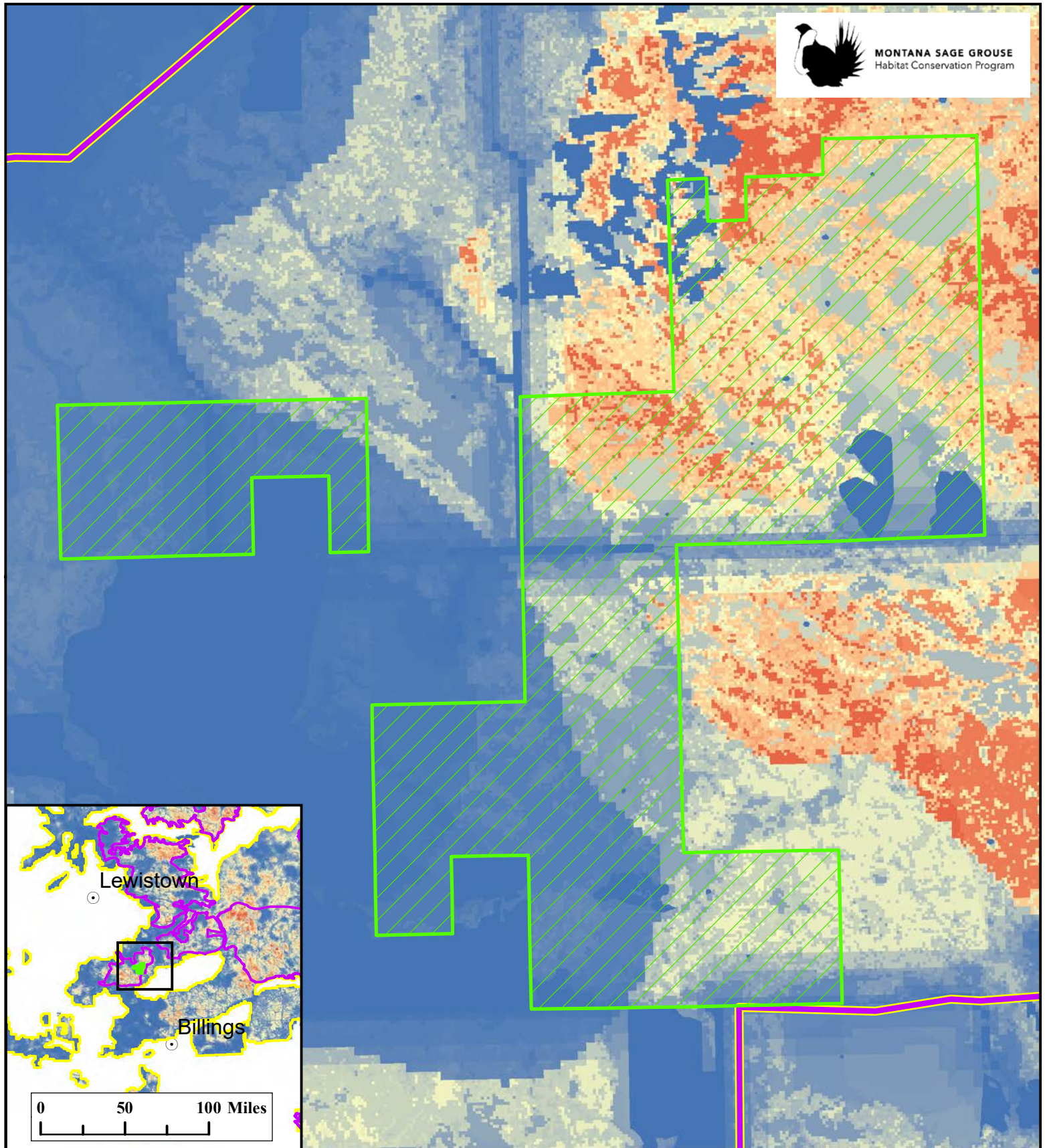
Conservation Status	Project Area	4 Mile Buffer (%)	12 Mile Buffer (%)
Percent Public (MT FWP, STL, BLM, US Bureau of Reclamation, USFS)	0%	16.48%	16.40%
Percent Private Conservation	0%	0%	0%
Percent Managed Areas (Beaverhead - Deerlodge National Forest, BLM, MT FWP)	0%	0%	1.57%
Percent Conservation Easement (MLR, USDA, TNC, Humane Society Wildlife Land Trust)	0%	7%	4.89%
Total in Conservation	0%	23.06%	22.02%
Not in Conservation	100%	76.94%	77.98%

Some Managed Areas are also Public Lands.

Lek Vulnerability	Project Area	4 Mile Buffer	12 Mile Buffer
No Data	0	0	0
0 - 10%	1	2	4
10.1 - 25%	0	1	4
25.1 - 50%	0	2	4
50.1 - 75%	0	0	2
75.1 - 100%	0	1	1

Existing Disturbance Composition (Percent Area)	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Building	0.00%	0.05%	0.06%
Crop	2.78%	10.74%	10.55%
Livestock Area	0.08%	0.08%	0.06%
Power Line	0.00%	0.00%	0.00%
Road	0.16%	0.34%	0.38%
Stock Pond	0.00%	0.003%	0.01%
Storage Yard	0.00%	0.02%	0.03%
Other	0.00%	0.03%	1.01%

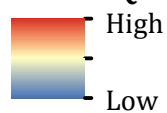
HQT Results: Fauth Property - MLR



Project & HQT Information

Date of HQT Results: 05 Oct. 2020
Number of Years: 100 Years

HQT Habitat Quality



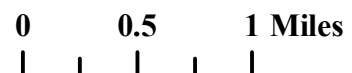
Project Direct Footprint

Core Area

General Habitat

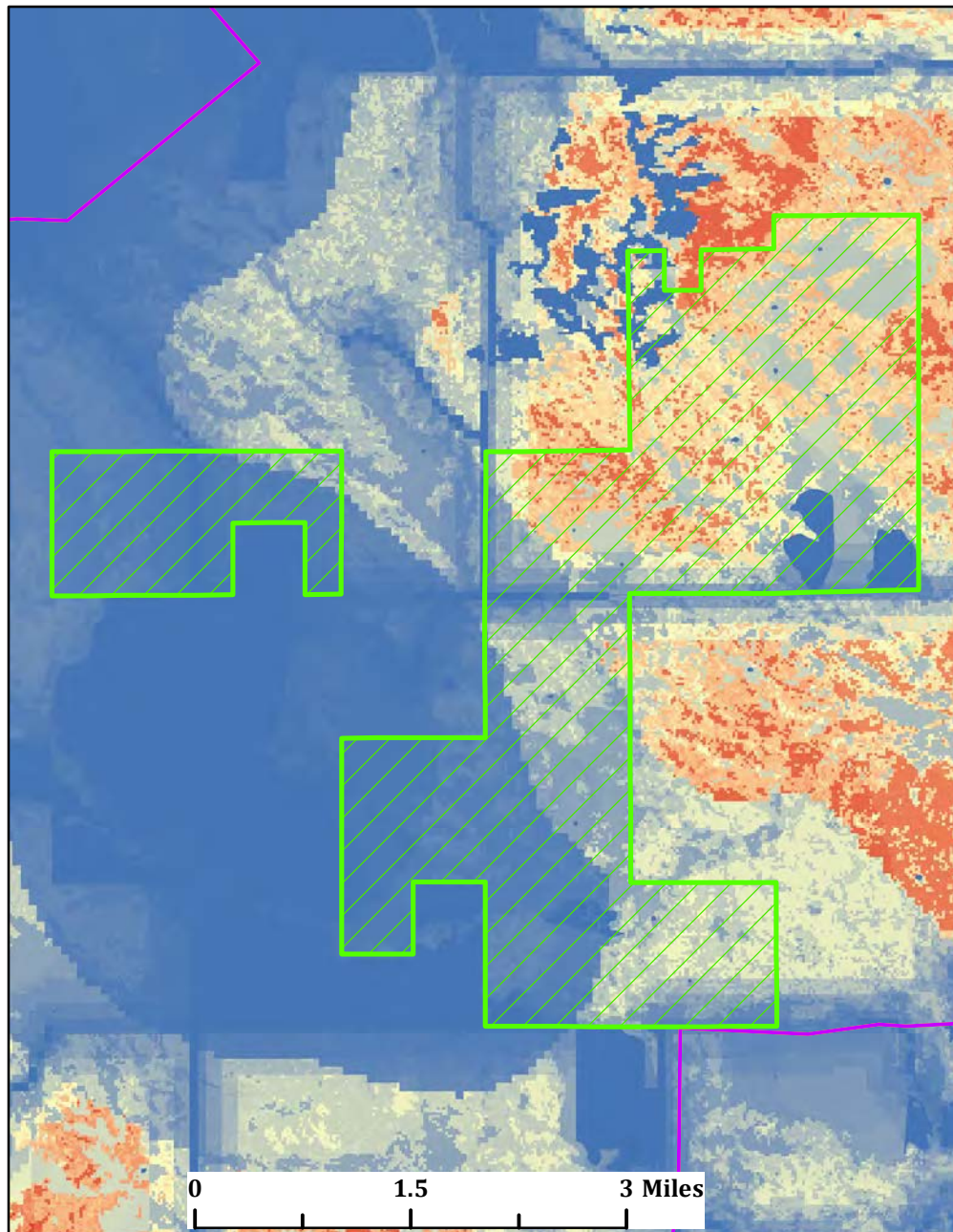


Major Towns

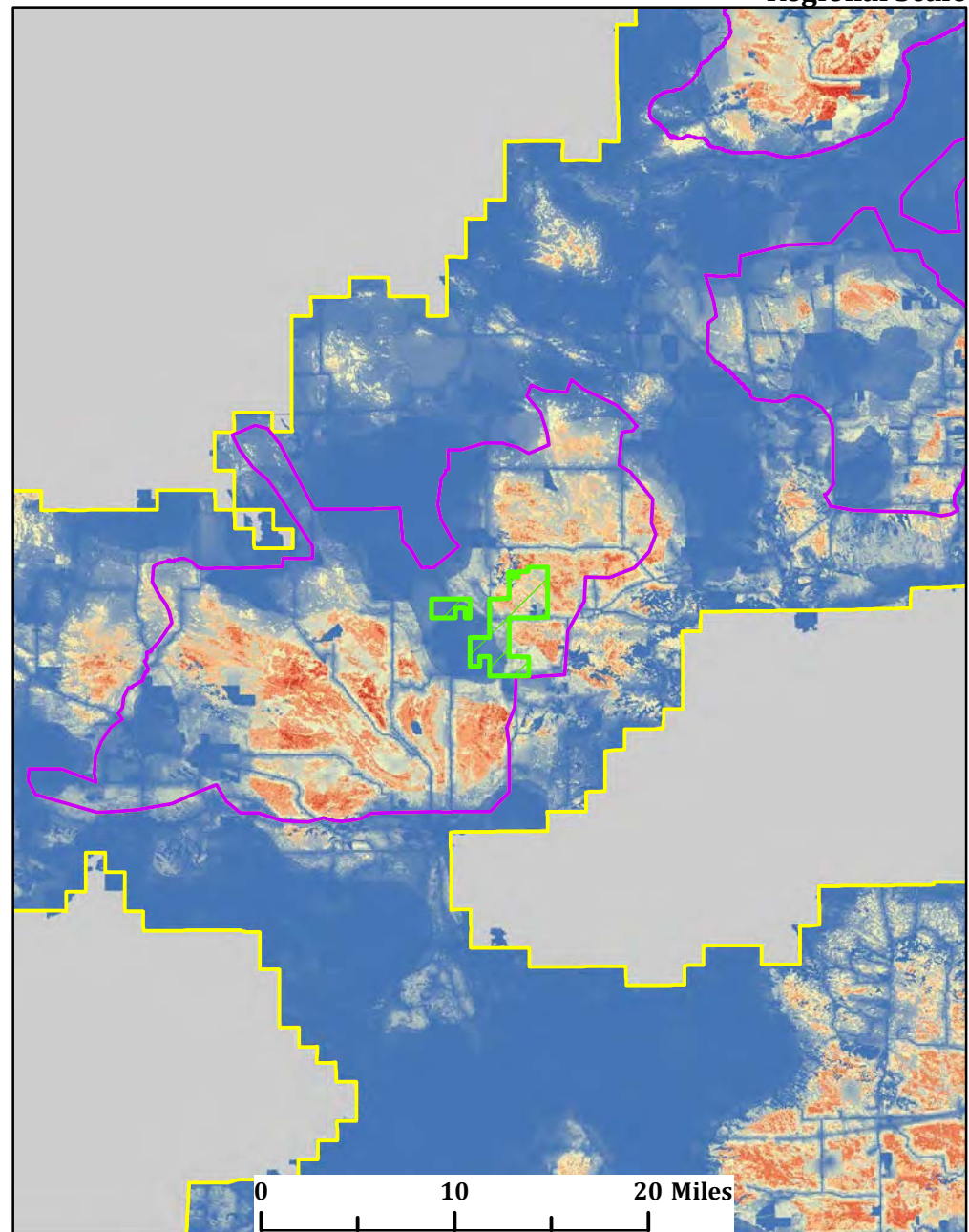


HQT Results: Fauth Property - MLR

Local Scale



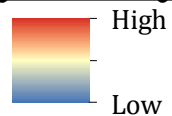
Regional Scale





Project HQT Metadata

HQT Date: 05 Oct. 2020
Years Maintained: 100 Years

HQT Habitat Quality



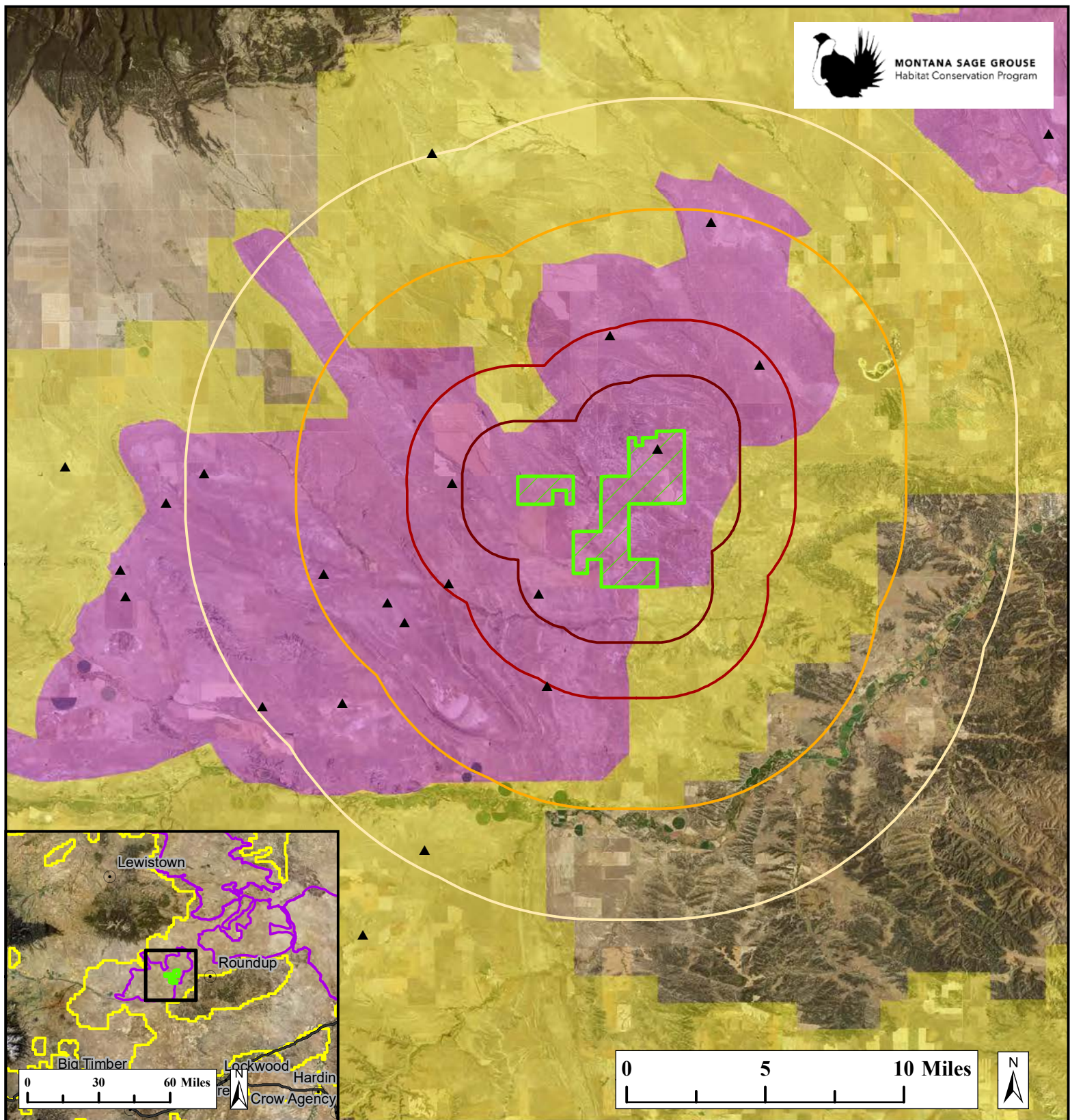
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

Fauth Ranch Ranch MLR Conservation Easement - Lek Proximity

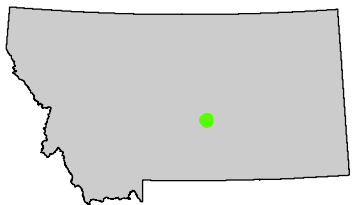


Fauth Ranch MLR Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program

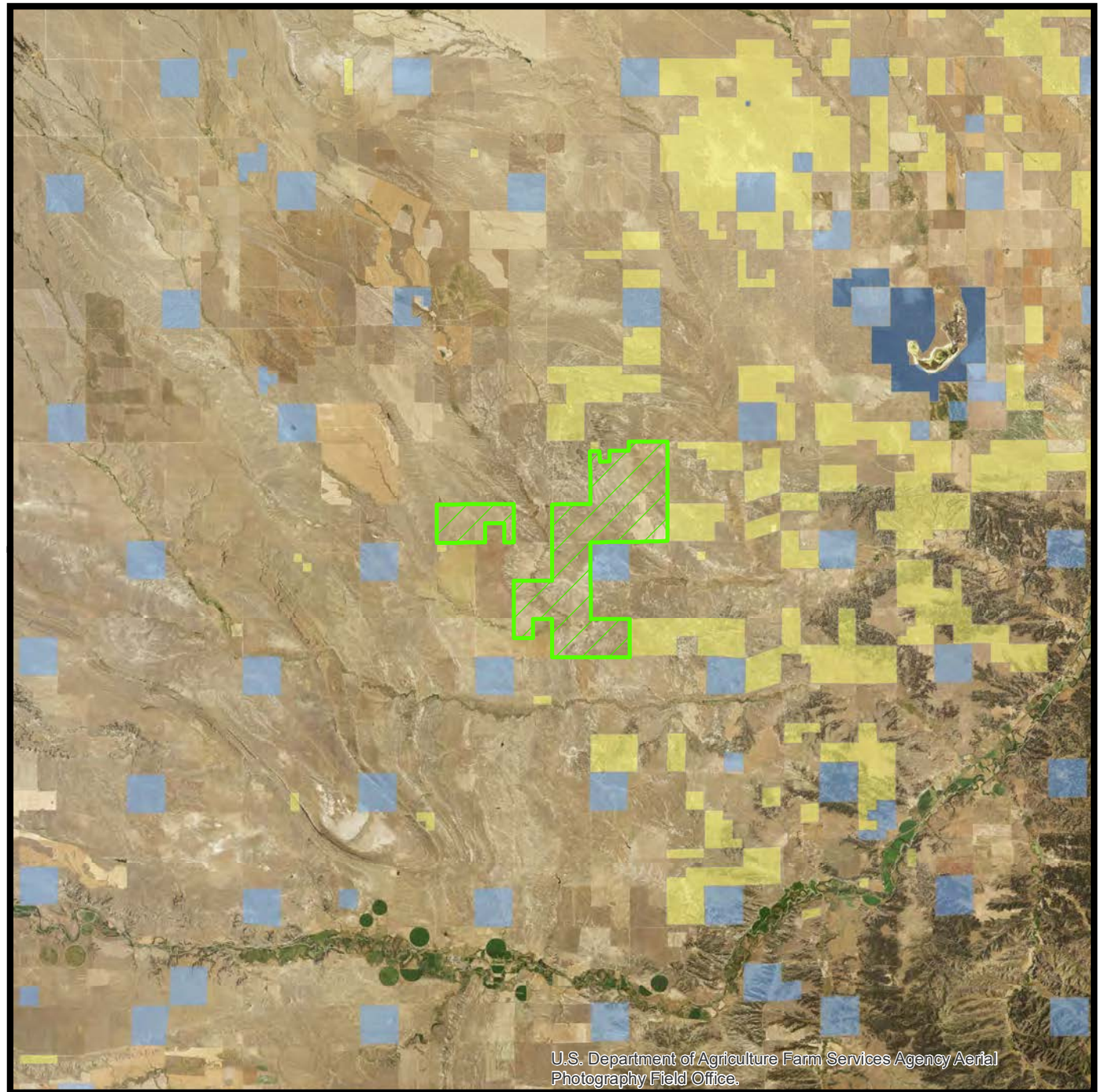
-  **Project Boundary**
-  **City Government**
-  **County Government**
-  **Montana State Trust Lands**
-  **US Bureau of Land Management**
-  **US Fish and Wildlife Service**



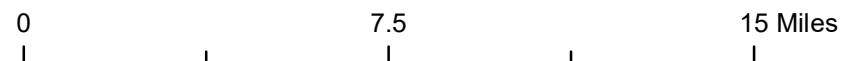
Project Information:

Map Date: 23 October 2020
Path File: G:\CARD\10 Sage Grouse HCP\
Grant Program\Third Cycle - November 2020\
GIS\Fauth Modified - MLR\maps
publicLands_landscape.mxd

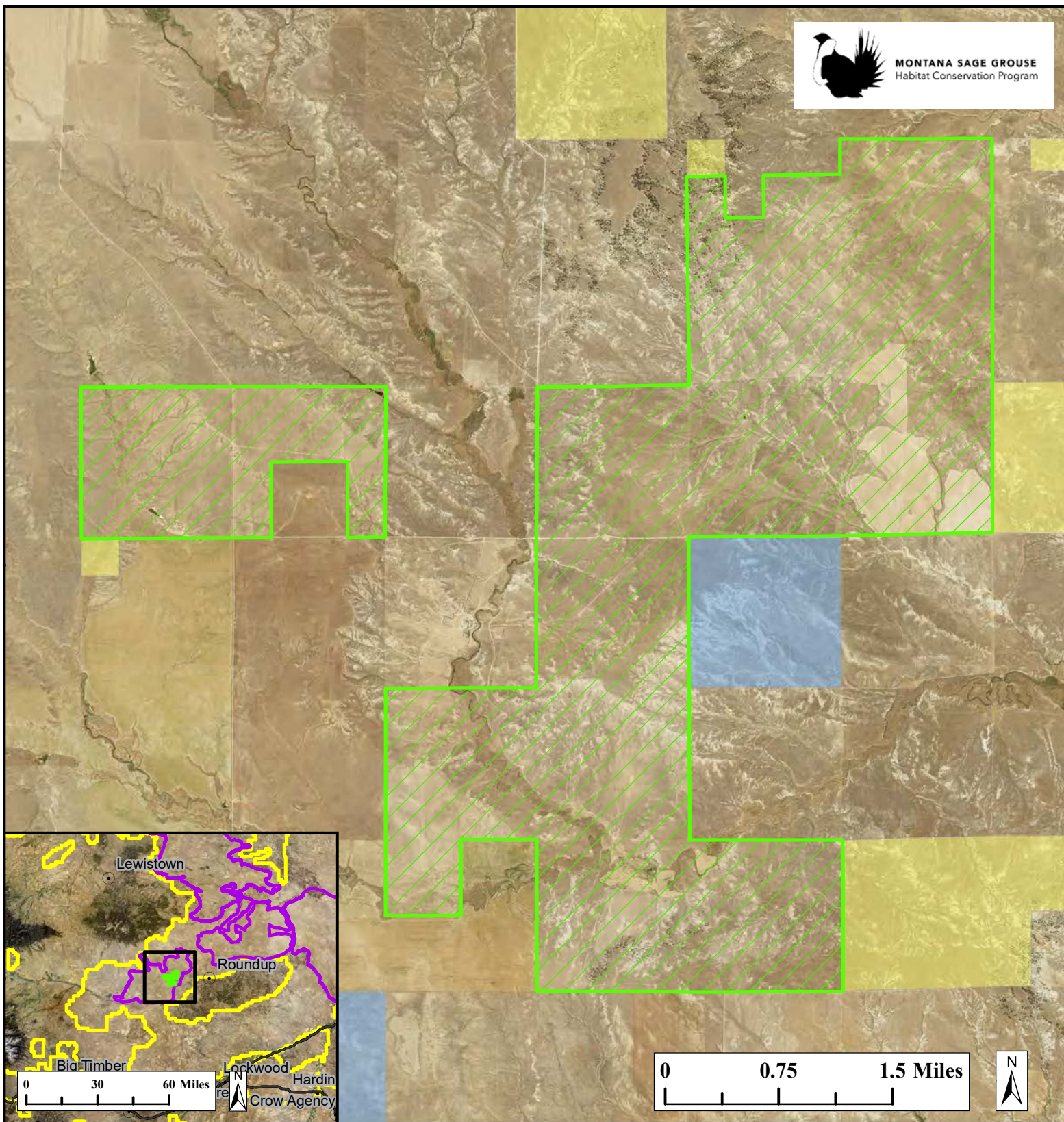
Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.









Fauth Ranch MLR Conservation Easement



Project Information:

Map Date: 23 October 2020
 PathFile:G:\CARD\10 Sage Grouse HCP\Grant
 Program\Third Cycle - November
 2020\GIS\Fauth Modified - MLR\maps
 PublicLandDDPs.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
 Aerial Photography Field Office.

- | | | | |
|---|--------------------------|---|-------------------------------------|
|  | Project Boundary |  | Montana State Trust Lands |
|  | Core Area |  | US Bureau of Land Management |
|  | General Habitat | | |
|  | Connectivity Area | | |

Percentage Conserved Lands within 4 Miles of the Fauth Ranch Conservation Easement (Montana Land Reliance)













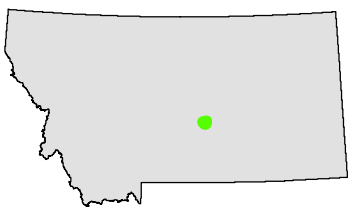
MONTANA SAGE GROUSE
Habitat Conservation Program

Project Information

-  Direct Project Footprint
-  Conserved Lands

Percent of Conserved Lands within 4 Miles of Project Area

-  0% - 10%
-  10.1% - 20%
-  20.1% - 30%
-  30.1% - 40%
-  40.1% - 50%
-  50.1% - 60%
-  60.1% - 70%
-  70.1% - 80%
-  80.1% - 90%
-  90.1% - 100%

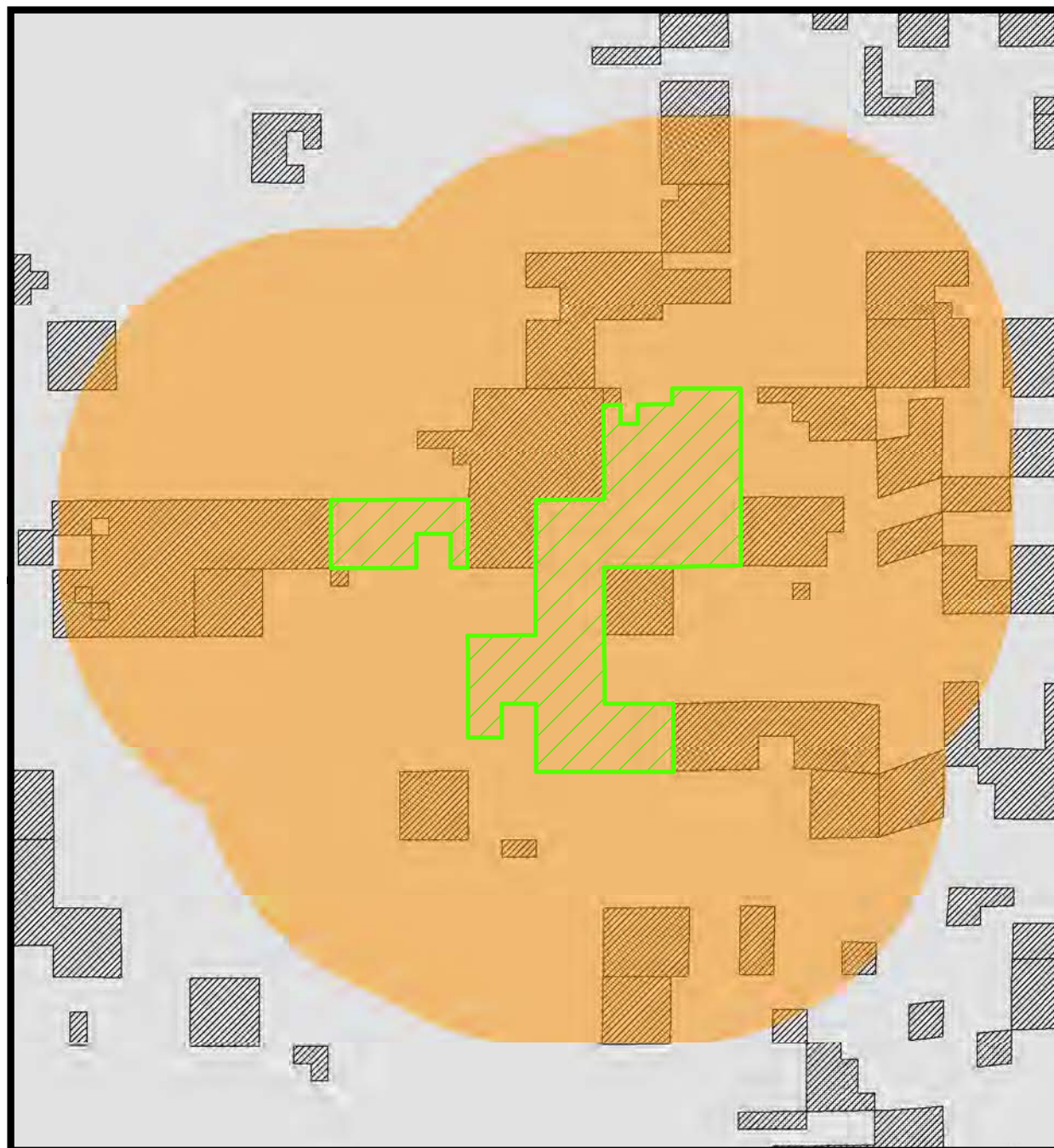


Map Information:

Map Date: 26 October 2020

File Path: G:\CARD\10 Sage Grouse
HCP\Grant Program\Third Cycle - November
2020\GIS\Fauth Modified -
MLR\maps\4MileConservedLands.mxd

Land Management Dataset from: <http://mtnhp.org/stew.asp>



0 5 10 Miles



MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS COMPLETE APPLICATION

INTRODUCTION

Thank you for your interest in sage grouse conservation in Montana. Montana's goal is to conserve sage grouse and sage grouse habitats, to maintain viable populations and habitats, and maintain the flexibility to manage our own lands our wildlife, and our economy. In doing so, Montana can show that listing under the federal Endangered Species Act is not warranted in the future.

Habitat conservation is an important part of Montana's Sage Grouse Conservation Strategy. Montana recognizes the important role private landowners have played in conserving sage grouse and habitat through their land stewardship. Private landowners will continue to play an important role in conservation efforts going forward.

Montana has adopted an "all hands, all lands" approach where we work together collaboratively to address all threats. The Greater Sage Grouse Stewardship Fund is an opportunity to collaborate on sage grouse conservation.

PURPOSE OF THE GRANT PROGRAM

The purpose of the Montana Greater Sage-Grouse Stewardship Act ("Act") is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that emphasize maintaining, enhancing, restoring, expanding, and benefiting sage grouse habitat and populations on private lands, and public lands as needed, that lie within core areas, general habitat, or connectivity areas. MCA § 76-22-102(2).

The Act also requires that the majority of the grant funds be awarded to projects that generate credits that are available for compensatory mitigation. Therefore, MSGOT will prioritize grant awards to projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. The habitat quantification tool will be used to determine the final number of credits generated for any projects funded under the Grant Program.

Applications to the Grant Program do **not** constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015. Participation or receipt of Stewardship Fund Grant Program monies does not exclude or waive necessary review of any new land uses or activities subject to *Executive Order 12-2015*. Any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must also be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to that process.

Applicants are strongly encouraged to read the key documents before applying:

- The *Frequently Asked Questions, Stewardship Grants and Mitigation* document. It is found here: <https://sagegrouse.mt.gov/Grants>. It provides answers to common questions about Stewardship Account grants, mitigation, and private lands.



- The *Application and Award Process Diagram and the 2019 Deadlines* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document outlines the process and deadlines for the 2019 grants.
- The *Application Information and Guidance* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document provides a comprehensive outline of project eligibility, selection criteria, steps in the grant process from the pre-application phase to project implementation, and expectations for different project types. This document also includes the statutory requirements of the grant program located at MCA § 76-22-101 *et seq*, and the administrative rules promulgated to implement the grant program located at 14.6.101-106, ARM.
- The *Montana Mitigation System Policy Guidance Document for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. Portions of Section 1 and all of Section 2 are pertinent to mitigation credit sites. While section 3 is specifically for developers, it has information that may also provide helpful context.
- *Executive Order 12-2015*, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage-Grouse Habitat Conservation Program.
- For term lease or conservation easement projects, see the *Stewardship Account Term Lease / Conservation Easement Acknowledgment Form* at the end of the Complete Application (below).
- For restoration or enhancement projects, see the *Stewardship Account Restoration / Enhancement Acknowledgment Form* at the end of the Complete Application (below).

Applicants are also encouraged to read and become familiar with the following documents before applying:

- The *Montana Mitigation System Habitat Quantification Tool Technical Manual for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. This document explains how credits are calculated for Stewardship Account grant projects.
- *The Montana Greater Sage Grouse Habitat Conservation Advisory Council Final Recommendations*, dated January 29, 2014, and other background materials available at <http://fwp.mt.gov/fishAndWildlife/management/sageGrouse/habitatConservation/>.
- The U.S. Fish and Wildlife Service *Notice of 12 Month Petition Finding*, announcing its decision not to list the greater sage grouse rangewide under the federal Endangered Species Act (i.e. the “not warranted for listing” decision); see 80 FR 59858-59942, October 2, 2015, available at <https://www.federalregister.gov/articles/2015/10/02/2015-24292/endangered-and-threatened-wildlife-and-plants-12-month-finding-on-a-petition-to-list-greater>. Attention should be placed on portions relevant to Montana.



ADDITIONAL INFORMATION (please read before submitting an application):

How to Submit a Complete Application

All projects should be submitted on the Montana Greater Sage-Grouse Stewardship Account Grant Program Application Form in electronic format by attaching and emailing the application to sagegrouse@mt.gov. Attach additional documents and supporting information, as well. If you do not receive a confirmation email within a few days of sending the application, please send a follow up email to csime2@mt.gov.

Applications should be received via email by 11:59 p.m. on May 6, 2019. If you experience technical difficulty with the electronic submission, please contact Carolyn Sime (406-444-0554, csime2@mt.gov).

Additional Background

Grant funding is provided to implement projects that satisfy the eligibility and evaluation requirements of the Act, provide mitigation to offset development elsewhere, and which further address the primary threats to sage-grouse as identified in *Executive Order 12-2015* and by the U.S. Fish and Wildlife Service in its *12 Month Petition Finding* of “not warranted for listing” published as 80 FR 59858-59942, October 2, 2015. .

Organizations and agencies are eligible for grant funding. In addition, organizations and agencies must hold and maintain conservation easements or leases or be directly involved in sage grouse habitat mitigation and enhancement activities.

Grant recipients are required to enter into a grant agreement with MSGOT and the Program. An applicant is not a grant recipient until the grant agreement has been executed by all necessary parties. Grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act and as appropriate to the project.

Grants funds are distributed as reimbursements in most cases. This means the grantee must submit for reimbursement of expenses incurred. “Up front” funding is not allowed, unless specifically identified in a grant agreement. Similarly, reimbursement funding for activities undertaken prior to the grant agreement’s execution is not allowed.

Grant funding cannot be used to replace or supplement a grantee’s operating budget, unless the budget items directly relate to the conservation of Sage Grouse and the purpose of the grant. For example, grant funding cannot be used to obtain office space, increase a wage or salary, or for acquisition of capital goods, assets, or durable goods (trucks, GPS units, computers, software, etc.).

Depending on the project type, reports will be required. Report content and reporting interval will vary by project type and will be developed in conjunction with grantees. For example, reports for perpetual conservation easements and term leases will be required annually for purposes of monitoring compliance with the terms of the lease or easement. The content and interval for restoration or enhancement will be different.



MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS 2019 COMPLETE APPLICATION

Project Title: This should be brief (less than 10 words) but descriptive.

Fauth Ranch Conservation Easement

Grant Request Amount (in \$): \$1,827,116

Applicant(s) Information:

Name: Brad Hansen

Title: Eastern Manager

Agency/Organization: The Montana Land Reliance

Street/P.O. Address: P.O. Box 355

City: State: Zip: Helena, Montana, 59624-0355

Phone #: FAX #: (406)-443-7027 (406)-443-7061

E-mail: brad@mtlandreliance.org

Point of Contact: (name only one individual):

Name: Brad Hansen

Title: Eastern Manager

Agency/Organization: The Montana Land Reliance

Street/P.O. Address: P.O. Box 355

City: State: Zip: Helena, Montana, 59624-0355

Phone #: FAX #: (406)-224-3685

E-mail: brad@mtlandreliance.org

Proposal Prepared by: Leave blank if same as Point of Contact.

Name:

Title:

Agency/Organization:

Street/P.O. Address:

City: State: Zip:

Phone #: FAX #:

E-mail:

Request: One-time Payment or Reimbursable

One-Time Payment

Is this a multi-year project for which future grants will be sought? If so, explain.

No

All Project Partners/Cooperators. Provide contact information for all persons, organizations, and agencies:

(A) involved in the proposed project

The Montana Land Reliance (MLR)



Brad Hansen
P.O. Box 355
Helena, MT 59624
Work (406)-443-7027
Email: brad@mtlandreliance.org

National Fish and Wildlife Foundation (NFWF)
1133 Fifteenth St. N.W., Ste. 1000
Washington, DC 20005
Work (202)-857-0166
Fax (202)-857-0162

Montana Sage Grouse Oversight Team (MSGOT):
Carolyn Sime
Sage Grouse Habitat Conservation Program Manager
Department of Natural Resources and Conservation
P.O. Box 201601
1539 11th Ave.
Helena, MT 59620
Email: csime2@mt.gov
Work (406) 444-0554
Cell (406) 431-8628
Fax (406) 444-6721

(B) who own lands in the project location, or

Fauth Ranch, LLC. (Kurt (KJ) Fauth, Lindsay Fauth, Brad Fauth)
PO Box 132
Lavina, MT 59046

(C) who own lands for which the grant applicant is claiming project benefits.

For each identified person, organization, or agency, describe their role in the proposed project.

The Montana Land Reliance (MLR) – Qualified land trust, easement holder
National Fish and Wildlife Foundation (NFWF) – Matching Funds
Montana Sage Grouse Oversight Team (MSGOT) – Funding, retain sage grouse mitigation credits
Fauth Ranch, LLC – Landowner

Identify any MOUs, agreements, or contracts associated with the project.

N/A

Project Type - Preservation (easement or lease), Habitat Restoration, Habitat Enhancement, or Combination:

Preservation – Easement



If the grant application is a Habitat Restoration or Habitat Enhancement project, is the restoration or enhancement site included within a proposed lease as a combination project in this application? Yes/No.

N/A

If No, please describe the measures in place or that would be put into place to protect the site's newly-restored or newly-enhanced habitat conservation values.

N/A

Project Narrative: Describe the project and its duration. Include the problems or threats specifically identified at the project location, what actions the project will undertake, and how such actions will address the threats and satisfy the stated goals and objectives of the project. (3 pages of narrative or less)

Activities:

The Montana Land Reliance (MLR) is seeking funding to purchase a perpetual conservation easement on the Fauth Ranch located in Golden Valley and Musselshell counties, Montana. A multi-generation ranching family, the Fauth's are committed to conserving their land to benefit the greater sage grouse and to ensure the ranch remains intact and passed on to the next generation.

The easement will protect 8,086 acres of core sagebrush and grassland habitat as defined by the State of Montana's Sage Grouse Executive Order. The lands seeking funding are home to multiple species of concern including (but not limited to) the greater sage grouse, pronghorn, Baird's sparrow, Sprague's pipit, McCown's longspur, and lark bunting.

As the attached geospatial data illustrate, the ranch is located in a part of Golden Valley and Musselshell counties that still exhibit intact areas of native grasslands and sagebrush habitat. Importantly, the Fauth Ranch is adjacent to other protected lands including the 11,000-acre Rath's Livestock easement (held by MLR and funded through MSGOT), a 6,600-acre United States Department of Agriculture (USDA) easement property, as well as 7,000 acres of Bureau of Land Management (BLM) and State of Montana Trust lands. Altogether, the Fauth Ranch would contribute to over 24,600 acres of protected lands.

As of 2019, Montana Fish, Wildlife and Parks have identified at least eight active and/or historic sage grouse leks in the immediate vicinity of the Fauth Ranch. This project provides the state an opportunity to ensure this prime habitat remains a viable option for continued use by sage grouse and other threatened species long into the future. Preliminary HQT results show the property generates approximately 90,389 mitigation credits.

Outcome(s):

The outcome of this project would be the permanent protection of 8,086 acres of native grassland and core sagebrush habitat in south-central Montana. The easement will expressly prohibit conversion of sagebrush and grassland habitat to cropland and will place restrictions on future subdivision and development. The easement terms will provide exceptional protection for the greater sage grouse and other species of concern in the area.



This project provides an excellent return on investment for the state as the project area generates numerous credits. As detailed in the Budget, MLR is seeking funding for 75% of the easement value from the state, and will contribute \$300,000 in matching funds from NFWF pending a successful 2020 grant application.

MLR has the staff expertise and infrastructure in place to see this project through to completion, monitor, and enforce the terms of the easement in perpetuity. Protecting these lands will lead to positive outcomes for species of concern, as well as the human species living on the land. These funds will flow back into the local economy and will help secure the future of traditional agriculture in Golden Valley and Musselshell counties, Montana.

Project Team:

Brad Hansen – Project Manager

Lois Delger-DeMars – Managing Director and Easement Drafter

Management Relevance/Conservation Benefit: Describe the benefits to be achieved if the project is implemented. (200-word narrative or less)

If awarded funding, a perpetual conservation easement on the Fauth Ranch would conserve sage grouse habitat, maintain viable sage grouse populations, and prevent grassland to cropland conversion. Furthermore, a conservation easement would prevent additional, subdivision, and/or development on the 8,086-acre property.

Problem / Threat Analysis: Describe the sage grouse problems/threats being addressed by the project and why the project is necessary. (Approximately 100 words)

This project would build on MSGOT's success in funding easements in Golden Valley County. In 2016, MSGOT funded the 11,000-acre Rath's conservation easement property. Without continued efforts to protect sage grouse populations in the area, development pressure and habitat loss may lead to extirpation of the greater sage grouse from this part of the state.

Project Location:

UTM Coordinates (Easting, Northing, Zone, Datum):

PLSS Description (County Township Range Section/s):

S04, T08 N, R23 E, LOT 5 AND LTS 7-16, S2
S03, T08 N, R23 E, ALL
S11, T08 N, R22 E, ALL
S12, T08 N, R22 E, N2, E2SE4, W2SW4
S08, T08 N, R23 E, ALL
S10, T08 N, R23 E, ALL
S17, T08 N, R23 E, ALL
S19, T08 N, R23 E, ALL
S20, T08 N, R23 E, ALL
S30, T08 N, R23 E, GOVT LOTS 1,2,E2NW4
S29, T08 N, R23 E, ALL
S28, T08 N, R23 E, ALL



Project Location map(s): Please submit maps as attachments to this document. Be sure to include titles, labels and descriptive references.

Attached

County name/s: List all counties where the project will occur.

Golden Valley and Musselshell counties

Size of Project Area:

Total acres within project boundary, or directly affected by project: 8,086 acres

Total acres indirectly affected by project (explain): 24,600 acres

Within a 6 mile radius of the Fauth Ranch exists the 11,000-acre Rath's Livestock easement property (held by MLR and funded through MSGOT), a 6,600-acre United States Department of Agriculture (USDA) easement property, as well as approximately 7,000 acres of Bureau of Land Management (BLM) and State of Montana Trust lands. Altogether, the Fauth Ranch would contribute to over 24,600 acres of protected lands.

Are there any existing surface use agreements: Yes/No

If there are existing surface use agreements, please describe the nature of the agreements, their duration, and expiration date. Does the lease contain an option to renew?

No

If the participating private landowners do not own the mineral rights, are the mineral right owners known? Yes/No

Landowner does not own mineral rights. The owners are unknown.

Are there any existing mineral leases? Yes/No

If there are existing mineral leases, please describe the nature of the leases, their duration, and expiration date. Does the lease contain an option to renew?

No

Has a mineral remoteness review test been completed? Yes/No. If yes, please describe the conclusions. If no, is one is expected to be completed and if so, when would results be known?

No – Assuming a successful application for funding, a mineral remoteness test will be completed as part of due diligence and provided to MSGOT as required.

Is any portion of the Project Area enrolled in NRCS Farm Bill Programs? Yes/No

If yes, please describe. For example, which NRCS program and when does the project expire? Provide the Township / Range / Section of the enrolled lands.

No, the Fauth family applied in the spring of 2020 to participate in the Natural Resource Conservation Service (NRCS) Conservation Stewardship Program (CSP), but funding outcomes have not been decided.



If there are State Trust Land parcels and /or BLM parcels within the boundary of the proposed project, do the participating landowners hold the appropriate state or federal lease, grazing or farming authorizations? Yes/No. If yes, please provide some background information about the authorization and its expiration date. If no, please provide some additional background.

No

Surface Land Ownership:

(check all that apply) Federal _____ State _____ Private ☒ X _____

If project will affect a mosaic of land ownerships (e.g., mix of federal, state and/or private lands), provide a breakdown for each specific owner type by acres and percent of total project area.

	Federal	State	Private	Total
Directly Affected				
Acres			8,086	8,086
Percent of Total			100	100
Indirectly Affected				
Acres				
Percent of Total				

Project Activity Description: (check all that apply)

 Reduction of Conifer Encroachment

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

 Reduction of Invasive Weeds

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				



_____ Maintenance/Restoration/ Improvement of Sagebrush Health or Quality

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

X Purchase/Acquisition of a Term Lease or Conservation Easement

	Federal	State	Private	Total
Core Area				
Acres			8,086	8,086
Percent of Total			100	100
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ Incentives to Reduce Conversion of Grazing Land to Cropland

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ Restoration of Cropland to Grazing Lands

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ **Demarcation of Fences**

	Federal	State	Private	Total
Core Area				
Miles				
Percent of Total				
General Habitat				
Miles				
Percent of Total				
Connectivity Area				
Miles				
Percent of Total				

_____ **Reduction of Unnatural Perching Platforms for Raptors**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Reduction of Unnatural Safe Havens for Predators**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Other: Briefly Explain**

	Federal	State	Private	Total
Core Area				



Number of Acres or Structures				
Percent of Total				
General Habitat				
Number of Acres or Structures				
Percent of Total				
Connectivity Area				
Number of Acres or Structures				
Percent of Total				

____ Modification of Fire Management to Conserve Sage Grouse Habitat or Populations (Briefly explain)

N/A

Vegetation Management: If the project involves any vegetation management, manipulation, or treatment (i.e. conifer reduction, grazing land management, sagebrush management or restoration wildfire management) complete the following. (Check all that apply.)

Mechanical Treatment _____ Chemical Treatment _____ Prescribed Fire _____
 Restoration _____ Reseeding/Planting _____ Deferred Grazing _____
 Invasive/Noxious Plant Removal _____ Other(s) (explain) _____

Identify the post-treatment management strategies to be implemented (e.g. livestock grazing plans, weed control, infrastructure maintenance, etc.). (500-word narrative or less. Attach additional information if necessary.)

N/A

Local Impacts: Describe any impacts or benefits to the local communities, including socioeconomic impacts or benefits. (200-word narrative or less. Attach additional information if necessary.)

State funds allocated to this project will result in a net increase in the amount of protected habitat available to sage grouse, while the money will flow directly back into the south-central Montana agricultural community. The funds will contribute to the Fauth family's objective to remain an active agricultural producer in Montana. With a conservation easement in place, the property will not be subdivided and will remain as wildlife habitat and/or agricultural lands in perpetuity, protecting traditional land uses and economic development and infrastructure in the region.



MLR's success in conserving over 1.2 million acres (898 easements) statewide is driven by positive relationships with landowners. As of September 2020, MLR holds 15 conservation easements totaling 57,339 acres in Golden Valley and Musselshell counties. These acres, combined with state and federally protected lands, creates a wide-ranging and connected neighborhood of conserved lands in core sage grouse habitat.

Other Benefits: List and describe any other benefits that will be achieved from the project. (e.g. educational, economic, research, public access, other environmental or conservation services, etc.)

Expected duration of effects from proposed project: Check the appropriate box.
_____ 1-15 years; _____ 15-20 years; _____ 20-25 years; _____ 25-30 years; _____; _____ 30-35 years; _____ 35-40 years; _____ 40-45 years; _____ 45-50 years; ___X___ in perpetuity.

If the expected duration is in perpetuity, please explain how the applicant and project participants will legally and physically ensure perpetual protection of the proposed habitat project and its benefits.

The Montana Land Reliance monitoring policy is as follows:

In an effort to discharge MLR's obligation to the public, staff shall monitor each conservation easement annually conducting appropriate discussions with the owner and/or manager about terms of the easement, condition of the land, and its management, and prepare suitable file documentation. Stewardship staff shall be given maximum discretion to tailor monitoring needs, including site visits and stewardship opportunities, to the particular characteristics of the property, the easement, and the property owner.

If the expected duration is a term of years, please explain how the applicant and project participants will ensure protection of the proposed habitat project and its benefits.

N/A

Total Montana Greater Sage Grouse Stewardship Account Funding Request:

Cash \$ \$1,827,116

Percentage of Total Project Cost 85 %

Narrative Details for Matching Funds: list all sources of matching funds or in-kind contributions, the amount, whether such funds are in-hand or committed, and any limitations on the use of such funds.

Source or Match	Amount	In-kind Cash?	or	In-hand Committed?	or	Any Limitations?
NFWF	300,000	Cash		Applied For		None



Landowner Donated Value	291,289	In-kind	Committed	None

Narrative explanation of whether matching funds are in-hand, committed, or have been applied for through other granting opportunities. If not in-hand at the time the application is submitted, please address timeline for when decisions regarding the other granting opportunities will be made and communicated to applicants.

In November, 2020, MLR will apply for \$300,000 from National Fish and Wildlife Foundation (NFWF) with the purpose of using the money as matching funds for this project.

For in-kind contributions, explain basis and method for valuation:

Estimated landowner donated value \$291,289.

For cash match that is committed but not yet in-hand, explain the circumstances of the commitment, the date committed, and if cash, when the cash will become available:

In November 2020, MLR will apply for \$300,000 from National Fish and Wildlife Foundation (NFWF) with the purpose of using the money as matching funds for this project.

If including any project monitoring or stewardship costs, please explain how the budget item listed in the tables below directly relate to the purposes of the grant. [Grants may not be used to supplement or replace the operating budget of an agency or organization except for budget items that directly relate to the purposes of the grant. § 76-22-110(4), MCA.]

Restoration or Enhancement Project Costs / Budget (Complete the table below if the application is for restoration or enhancement projects; if restoration or enhancement areas would also be included in a lease or conservation easement, separate out project costs / budget accordingly by completing both this table and the one below.)

Item	Matching Cash Contribution	Matching In- Kind Contribution	Stewardship Account Request	Total
Project Planning and Design				
Contractor Costs				
Permitting				
Other				
Project Implementation				
Contractor Costs				
Supplies/Materials				



Equipment Costs				
Salaries/Labor				
Other				
Project Monitoring				
Operation and Maintenance				
Total Cost Estimate				

Term Lease or Conservation Easement Project Costs / Budget (Complete the table below if the application is for a term lease or conservation easement; if a term lease or conservation easement project would also include restoration or enhancement activities, separate out project costs / budget accordingly by completing both this table and the one above.)

Item	Matching Cash Contribution	Matching In-Kind Contribution	Requested Contribution	Total
a. Project Planning and Design				
Engineering Applicant				
Contractor				
Landowner				
Baseline Inventory Report (Environmental Documentation Report) Applicant			5,500	5,500
Contractor				
Environmental Hazards Assessment				
Survey				
Mineral Report Applicant			4,000	4,000
Contractor				
Appraisal			18,000	18,000
Title Commitment			500	500
Title Insurance				
Mortgage Subordination				
Resolution of Legal Access				
Land Trust Transaction Fee				
Appraisal				
Closing and Recording Fees			250	250
Other Expenses				
Sub-Total			28,250	28,250
b. Project Implementation				
Manpower Applicant				
Contractor				
Landowner				
Equipment Applicant				
Contractor				
Landowner				

Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Perpetual Easement Stewardship Fee / Endowment			25,000	25,000
Total Easement Value	300,000	291,289	1,773,866	2,365,155
Other				
Sub-Total	300,000	291,289	1,798,866	2,390,155
c. Project Operation/Maintenance				
Manpower Applicant				
Contractor				
Landowner				
Equipment Applicant				
Contractor				
Landowner				
Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Monitoring Stewardship				
Other				
Sub-Total				
d. GRAND TOTAL	300,000	291,289	1,827,116	2,418,405

If a Conservation Easement, Summary of Acquisition Budget:

Appraised Value of Conservation Easement: _____ \$2,365,155 _____
Landowner Donation: _____ \$291,289 _____
NFWF Match: _____ \$300,000 _____
Purchase Price: _____ \$1,827,116 _____

Source of Easement Funds: (list all sources)

Stewardship Account: _____ \$1,827,116 _____
NFWF Match: _____ \$300,000 _____
Other: _____
Other: _____



Project Readiness / Implementation Schedule: List time line including month and year when project is expected to be initiated and completed.

The project will begin as soon as funding determinations are made and will be complete during the grant cycle.

Month/Year overall project begins:

January 2021

Month/Year overall project ends:

January 2022

Month/Year Stewardship Account Grant funding would begin:

January 2021

Month/Year Stewardship Account Grant funding would end:

January 2023 (Assuming a three year grant agreement)

Likelihood of Implementation: Have all necessary permits/approvals been obtained? Projects judged unlikely to be implemented may be given lower priority.

PERMIT OR AUTHORIZATION	REQUIRED		SUBMITTED		APPROVED	
	Yes	No	Yes, Date	No, date expected	Yes, Date	No, date expected
Cultural Resource Inventory		X				
COE Section 404 Permit		X				
Cooperative Agreement(s)		X				
*NEPA Analysis		X				
Pesticide Application Permit		X				
Private Landowner Agreement(s)		X				
Sensitive Species Clearance		X				
Surface/Ground Water Permits		X				
T/E Species Clearance		X				
County Planning Authority Approval	X					

***If NEPA is Required:** What is the type of NEPA analysis required: Environmental Impact Statement (EIS); Environmental Assessment (EA); Categorical Exclusion (CE); Biological Assessment/biological Evaluation (BA/BE); etc.? What federal agency will conduct the analysis and who is the primary agency contact? What is the estimated submittal and approval dates?



Project Timeline and Estimated Completion Date. (Explain, 200 words or less)

Brad Hansen began meeting with the Fauth family in early spring 2020 to discuss placing an easement on their ranch. We anticipate the following timeline to be executed moving forward:

December 2020: MLR will complete a draft conservation easement

January 2021: MLR will complete final draft of conservation easement for the Fauth family to review.

June 2021: MLR will be positioned to close easement by year-end

Perpetuity: MLR will monitor property

Project Monitoring Plan: All projects require monitoring to determine effectiveness relative to the statutory purposes of the Act to conserve sage grouse habitat and populations. Identify what monitoring program and protocols are in place or will be put in place to assess and quantify the results achieved by the project. Identify those responsible for monitoring. Include both short-term and long-term monitoring. A Project Close-out Report may be required for each project upon completion, to allow tracking of expenditures and attainment of results. Photos, summaries, etc. may be required. If a monitoring plan has not yet been developed, the Sage Grouse Habitat Conservation Program will work collaboratively with successful applicants to develop a plan. (Approximately 2 pages of narrative or less. Attach additional documentation if needed.)

The Montana Land Reliance monitoring policy is as follows:

In an effort to discharge MLR's obligation to the public, staff shall monitor each conservation easement annually, in to perpetuity, conducting appropriate discussions with the owner and/or manager about terms of the easement, condition of the land, and its management, and prepare suitable file documentation. Stewardship staff shall be given maximum discretion to tailor monitoring needs, including site visits and stewardship opportunities, to the particular characteristics of the property, the easement, and the property owner.

Attachments and Supporting Documentation. (Required documentation and supporting materials will vary by project type, but check all that are available at the time of submitting a complete application. The Program may contact grant applicants for additional clarification.)

- ☒ Project Design / Maps
- ☐ Final Spatial Data
- ☒ Letters of Support
- ☒ Site Management or Stewardship Plan
- ☐ Grazing Plan, if applicable
- ☐ Restoration Plan, if applicable
- ☐ Enhancement Plan, if applicable
- ☒ Draft Term Lease or Conservation Easement with terms, if applicable
- ☐ Mineral Remoteness Review Report for perpetual conservation easements
- ☒ Market Appraisal for perpetual conservation easements
- ☒ Site Monitoring Plan



☒ *Stewardship Account Term Lease / Conservation Easement Acknowledgement* (see below; include as many signatory pages as there are project participants)

☐ *Stewardship Account Restoration or Enhancement Project Acknowledgement* (see below; include as many signatory pages as there are project participants)

☒ Budget

☐ MOUs and other Agreements

☐ Other (list): _____

For those attachments and supporting documentation that are not available at the time of submitting a complete application, indicate when they will become available:

Mineral Remoteness Review Report: Assuming a successful application for funding, a mineral remoteness report will be completed as part of due diligence and provided to MSGOT as required.

Additional Information for Consideration.

Signed "General Acknowledgements" have been scanned and included in a separate folder.



GENERAL ACKNOWLEDGEMENT, ALL PROJECTS

Please initial each verification or acknowledgment and sign below.

2/1/1 All Applicants verify that they have read the *Application Information and Guidance* document before filling out this application.

2/1/1 All Applicants verify that they have read Executive Order 12-2015, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage Grouse Habitat Conservation Program.

2/1/1 All Applicants acknowledge that grant recipients are required to enter into a grant agreement with MSGOT and the Program, and that an applicant is not a grant recipient until a grant agreement has been executed by all necessary parties. Such grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act.

2/1/1 All Applicants acknowledge that MSGOT will prioritize grant awards for projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. Such assurances may be included in the grant agreement but will be included in other project documents.

2/1/1 All Applicants acknowledge that applications to the Grant Program do not constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015, and any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must still be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to its procedures or process.

2/1/1 (If this Application seeks grant funding for a conservation easement or a term lease) All applicants verify that all parties to the term lease or conservation easement have read and signed the attached the *Stewardship Account Term Lease / Conservation Easement Acknowledgement Form*. Include as many copies as there are project participants.

2/1/1 (If this Application seeks grant funding for a restoration or enhancement project) All applicants verify that all parties to the project have read and signed the attached the *Stewardship Account Restoration or Enhancement Project Acknowledgement Form*. Include as many copies as there are project participants.

Signature:

Printed Name:

Kurt J (KJ) Fauth

Title:

Owner / member

Date:

10/12/2020



GENERAL ACKNOWLEDGEMENT, ALL PROJECTS

Please initial each verification or acknowledgment and sign below.

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Signature:

Printed Name:

Kurt J (KJ) Fauth

Title:

Owner / member

Date:

10/12/2020



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

All parties to the proposed term lease or conservation easement must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor, and every land trust or holder of the conservation easement. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any lease or conservation easement selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the applicable lease or conservation easement agrees through the grant agreement and the lease or easement document to establish the State of Montana as a third-party beneficiary to the lease or easement with a contingent right to enforce the terms of the lease or easement if the grantee fails to do so.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree through the terms of the lease or conservation easement that the lease or conservation easement may not be transferred for value, sold, or extinguished without consent of the State of Montana or its agents.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree that the lease or conservation easement will recognize the State of Montana or its agent's right to take legal action to enforce the terms of the lease or easement or to recover from the proceeds of the transfer for value, sale, or extinguishment the state's pro rata share of the proceeds based on the funds the state provided pursuant to this part for the creation of the lease or easement.

The signatories further acknowledge that MSGOT will retroactively calculate, own, and make available credits for leases and conservation easements purchased with grant funds using the most current version of the Habitat Quantification Tool and the Policy Guidance documents and applicable state laws.

The signatories further acknowledge that monitoring reports will be required. The content and reporting interval will be developed collaboratively between the grant recipient and the Montana Sage Grouse Habitat Conservation Program. Reporting requirements will be tailored the project.

The signatories further acknowledge that grant recipients and the Montana Sage Grouse Habitat Conservation Program will collaboratively develop and agree upon the schedule or frequency of payments from the Stewardship Account. The schedule will be included in the grant agreement.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program or its agents can inspect the lands and verify the credits created from lands included within the term lease or conservation. At all times, the state will seek to make arrangements well ahead of time, provide reasonable prior notice, and will not interfere with the landowner's use and enjoyment of the land.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program will work with the grant recipient and participating landowners to develop a credit site mitigation plan. The plan will describe the credit estimation, verification, and



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

All parties to the proposed term lease or conservation easement must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor, and every land trust or holder of the conservation easement. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any lease or conservation easement selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the applicable lease or conservation easement agrees through the grant agreement and the lease or easement document to establish the State of Montana as a third-party beneficiary to the lease or easement with a contingent right to enforce the terms of the lease or easement if the grantee fails to do so.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree through the terms of the lease or conservation easement that the lease or conservation easement may not be transferred for value, sold, or extinguished without consent of the State of Montana or its agents.

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The signatories further acknowledge that monitoring reports will be required. The content and reporting interval will be developed collaboratively between the grant recipient and the Montana Sage Grouse Habitat Conservation Program. Reporting requirements will be tailored the project.

The signatories further acknowledge that grant recipients and the Montana Sage Grouse Habitat Conservation Program will collaboratively develop and agree upon the schedule or frequency of payments from the Stewardship Account. The schedule will be included in the grant agreement.

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The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program will work with the grant recipient and participating landowners to develop a credit site mitigation plan. The plan will describe the credit estimation, verification, and



monitoring processes. In most cases, existing stewardship plans, grazing plans, or similar will suffice and the mitigation plan will recognize them, while setting out the credit details of the site.

The signatories further acknowledge that term leases should be filed in the county of record, similar to perpetual conservation easements.

The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the lease or conservation easement and otherwise allow the State of Montana or its agents to protect its interests as third-party beneficiaries to the lease or conservation easement.

Signature:

Printed Name:

Kurt J. Fauth
Kurt J (KJ) Fauth

Title:

Role in the Project

(owner, land trust, etc.):

Owner / member

Date:

10/12/2020

Signature

Brad Hansen

BRAD HANSEN

Title

Eastern Manager
The Montana Land Reliance

Role

LAND TRUST

Date

10/15/2020



STEWARDSHIP ACCOUNT RESTORATION OR ENHANCEMENT PROJECT ACKNOWLEDGEMENT

All parties to the restoration / enhancement project must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor who have a nexus with the area where the restoration or enhancement project would be implemented. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any restoration or enhancement project selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the project agrees.

The signatories further acknowledge that if the restoration or enhancement project area is not also included within the perimeter of a term lease or conservation easement on the same grant application as a combination project or otherwise protected by an existing lease or conservation easement, the signatories will develop a legal or site protection instrument to protect the conservation values newly-created by the restoration or enhancement activities funded through the Stewardship Account. Examples include a term lease or term deed restriction that is filed with the county of record.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program will work with the grant recipient and participating landowners to develop a credit site mitigation plan. The plan will describe the credit estimation, verification, and monitoring processes. In most cases, existing stewardship plans, grazing plans, or similar will suffice and the mitigation plan will recognize them, while setting out the credit details of the site.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program or its agents can inspect the lands and verify the credits created from lands included within the term lease or conservation. At all times, the state will seek to make arrangements well ahead of time, provide reasonable prior notice, and will not interfere with the landowner's use and enjoyment of the land.

The signatories further acknowledge that MSGOT will retroactively calculate, own, and make available credits from restoration and enhancement projects funded with Stewardship Account funds using the most current version of the Habitat Quantification Tool and Policy Guidance documents and according to applicable state laws.

The signatories further acknowledge that monitoring reports will be required. The content and reporting interval will be developed collaboratively between the grant recipient and the Montana Sage Grouse Habitat Conservation Program. Reporting requirements will be tailored the project.

The signatories further acknowledge that grant recipients and the Montana Sage Grouse Habitat Conservation Program will collaboratively develop and agree upon the schedule or frequency of payments from the Stewardship Account. The schedule will be included in the grant agreement.

The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the restoration or enhancement project site.



Signature:

Printed Name:

Title:

Role in Transaction
(owner, land trust, etc.):

Date:

Kurt T. Feuth
Kurt T (KT) Feuth
Owner / member
10/12/2020

MONTANA ASSOCIATION OF LAND TRUSTS

MALT MEMBERS

Bitter Root
Land Trust,
Hamilton

Kaniksu
Land Trust,
Sandpoint, ID

The
Conservation
Fund,
Missoula

Five Valleys
Land Trust,
Missoula

Flathead
Land Trust,
Kalispell

Gallatin Valley
Land Trust,
Bozeman

Montana Land
Reliance,
Helena

The Nature
Conservancy,
Helena

Prickly Pear
Land Trust,
Helena

Rocky Mountain
Elk Foundation,
Missoula

The Trust
for Public Land,
Bozeman

Vital Ground
Foundation,
Missoula

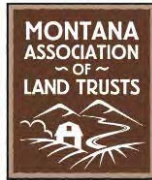
AFFILIATE MEMBERS

Missoula County
Community and
Planning Services

Land Trust
Alliance

Ducks Unlimited

Montana Fish,
Wildlife & Parks,
Land Program



Glenn Marx, Executive Director 490-1659
P.O. Box 892, Helena MT 59624
Email: montanamalt@q.com
Website: montanalandtrusts.org

October 15, 2020

Support Letter Proposed Fauth Ranch Project

Carolyn Sime
Sage Grouse Habitat Conservation Program Manager
Department of Natural Resources and Conservation
PO Box 201601
1539 11th Ave
Helena, MT 59620

Dear Ms. Sime,

The Montana Association of Land Trusts and its membership have been active and strong supporters of the Montana Sage Grouse Habitat Conservation Program and sage grouse conservation since the current program's conceptual inception in 2013. We also continue to laud the primary focus of the program, which is a clear Montana policy priority for retention of state authority over sage grouse management.

A key provision within the overall state sage grouse effort is the Sage Grouse Stewardship Account Grant Program, and the Montana land trust community has been a champion of the stewardship grant awards and the essential creation of sage grouse mitigation credits. With over half of the state's sage grouse core habitat and over half the state's sage grouse population found on private lands, the kind of voluntary, incentive-based conservation embodied within the sage grouse stewardship awards is a vital component for the long-term policy goal of state sage grouse management.

The Montana Land Reliance has worked with landowners on Montana conservation projects for over four decades, has worked with Montana landowners to permanently conserve over a million acres of private land, and is a nationally-recognized land trust leader in both the quality and quantity of conservation it produces in partnership with landowners.

MLR has also been a major advocate for the state sage grouse program as well as an active and creative participant in sage grouse stewardship award accomplishments. MLR has worked with MSGOT and the program through stewardship grants on the impressive 44 Ranch, Rath's Ranch, and Marc Lewis projects. MLR has worked also with Denbury Resources and the Ringling Ranch on the MSGOT unanimously-approved permittee responsible mitigation conservation easements on the Ringling Ranch.

The proposed Fauth property conservation easement in Golden Valley and Musselshell counties is another excellent example of MLR working thoughtfully and creatively with a landowner to conserve core sage grouse habitat and assist the State of Montana to accomplish a major policy goal by retaining state sage grouse management.

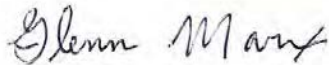
The proposed 8,086-acre conservation easement is entirely within identified sage grouse core area, and would permanently prohibit development and permanently prevent conversion of grassland to cropland. In addition, the proposed project area abuts approximately 24,600 conserved acres of private and public lands that currently protects sage grouse habitat and thus would provide beneficial and crucial conservation connectivity in the area.

The proposed conservation easement would – under a rough initial calculation performed by the sage grouse program – generate approximately 90,389 mitigation credits. MLR has worked to leverage the requested amount of \$1,827,116 in sage grouse stewardship award funds with \$300,000 from National Fish and Wildlife Foundation, (NFWF) a major national conservation organization. If the NFWF funds are awarded, there also would be a \$291,289 in-kind donation by the landowner.

Given the sage grouse habitat benefits provided by this proposed permanent easement, the proposed project's ability to generate sage grouse mitigation credits, and the proposed project's added bonus of expanding and strengthening existing conservation on adjoining conserved lands, the Fauth property appears to be a solid fit for the sage grouse habitat conservation program funding and for MSGOT project approval.

Thank you for considering these comments in support of the Fauth property sage grouse habitat conservation project, and please let us know if you have questions or comments about our support for the project and our recommendation of MSGOT approval.

Best wishes,

A handwritten signature in black ink that reads "Glenn Marx". The signature is written in a cursive, flowing style.

Glenn Marx
Executive Director
Montana Association of Land Trusts

RECEIVED
OCT 07 2020

RATHS LIVESTOCK

Jeff and Bea Raths
1163 Horsethief Road
Roundup, MT 59072
September 18, 2020

Montana Sage Grouse Oversight Team (MSGOT)
Department of Natural Resources and Conservation
PO Box 201601
1539 11th Ave
Helena, MT 59620

Dear Montana Sage Grouse Oversight Team (MSGOT):

As owners of Rath's Livestock, my wife and I are writing to express our full support for funding of a conservation easement on the Fauth property. As longtime neighbors and friends, we can attest to the Fauth family's strong conservation ethic and commitment to ranching and agriculture.

As you are likely aware, our family was awarded funding through the state sage grouse program and closed on a 11,000-acre conservation easement (held by The Montana Land Reliance) in 2019. We appreciate the wonderful work completed by MSGOT in protecting the greater sage grouse, and in working with our family. If funded, the Fauth property would contribute to a growing neighborhood of private land conservation totaling over 25,000 acres in the immediate area.

On behalf of the Fauth family, we'd like to offer our full support of their easement project moving forward, and again thank MSGOT for its continued efforts in conserving Montana's greater sage grouse habitat and working lands.

Sincerely,

Jeff Raths

Jeff and Bea Raths

Bea Raths

Jackson Ranch

Jackson Ranch Conservation Easement Project Analysis			
	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Total Acres included in Easement Area	924	48,221	334,848
Core Acres	0	0	0
General Acres	924	20,447	101,397
Connectivity Acres	0	0	0
Outside Habitat	0	27,774	233,451
Percent Core	0%	0%	0%
FWP Lek Count (May be other Leks present)	0	1	3
FWP Total Male Count (Most Recent)	0	3	3
FWP Avg. Male Count	0	3	1
Project Cost/Acre	\$524.99	NA	NA

Conservation Status	Project Area	4 Mile Buffer (%)	12 Mile Buffer (%)
Percent Public (MT FWP, STL, BLM, US Bureau of Reclamation, USFS)	0%	22.52%	62.04%
Percent Private Conservation	0%	0.00%	0.00%
Percent Managed Areas (Beaverhead - Deerlodge National Forest, BLM, MT FWP)	0%	26.55%	60.05%
Percent Conservation Easement (TNC, FWP)	0%	13.67%	3.97%
Total in Conservation	0%	39.27%	67.03%
Not in Conservation	100%	60.73%	32.97%

Some Managed Areas are also Public Lands.

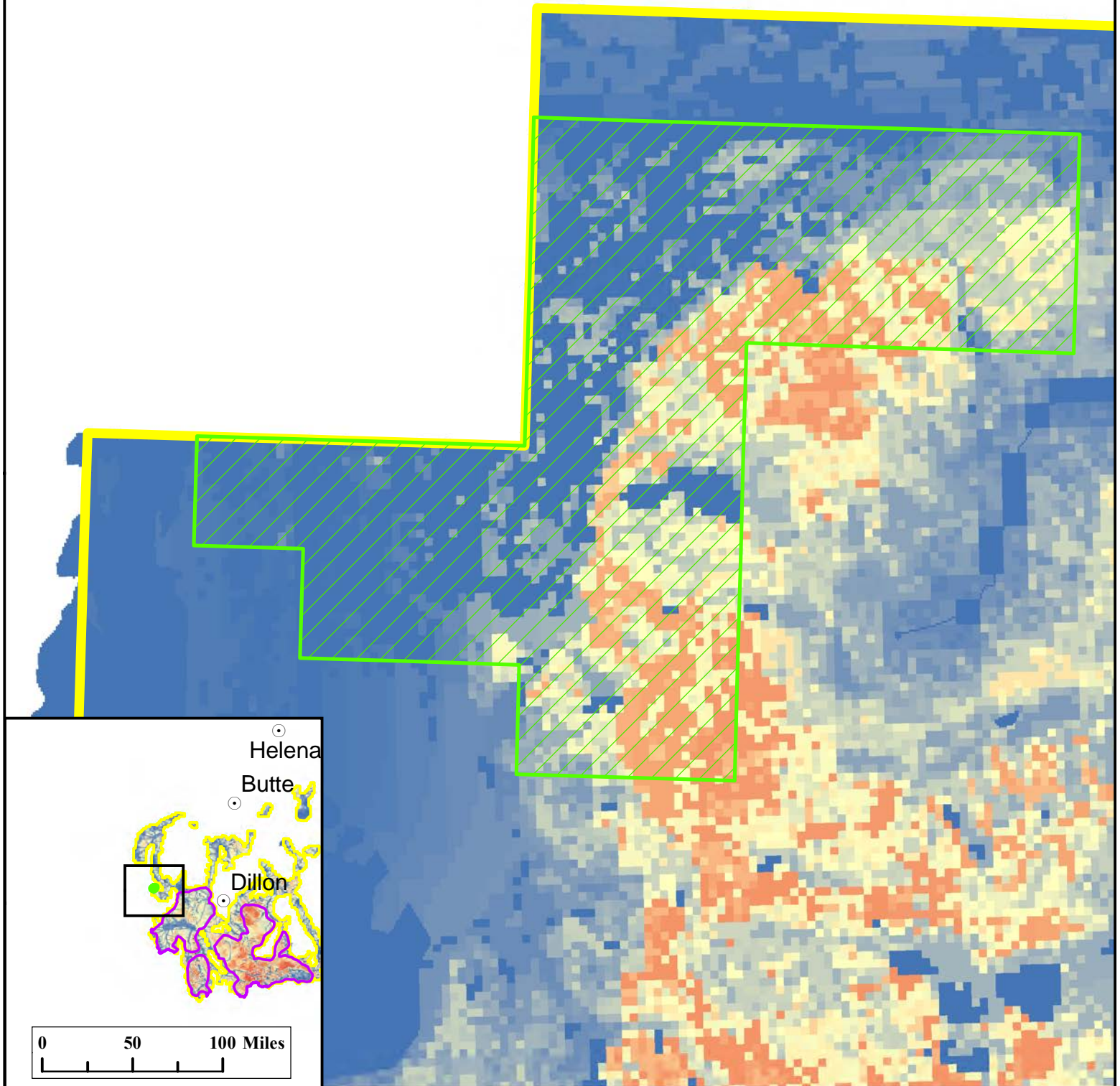
Lek Vulnerability	Project Area	4 Mile Buffer	12 Mile Buffer
No Data	0	0	0
0 - 10%	0	0	2
10.1 - 25%	0	1	1
25.1 - 50%	0	0	0
50.1 - 75%	0	0	0
75.1 - 100%	0	0	0

Existing Disturbance Composition (Percent Area)	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Building	0.00%	0.02%	0.01%
Crop	0.00%	2.14%	0.89%
Livestock Area	0.00%	0.05%	0.03%
Power Line	0.00%	0.03%	0.02%
Road	0.50%	0.33%	0.16%
Stock Pond	0.00%	0.004%	0.003%
Storage Yard	0.00%	0.02%	0.01%
Other	0.00%	0.11%	0.03%

HQT Results: Jackson Ranch - TNC



MONTANA SAGE GROUSE
Habitat Conservation Program

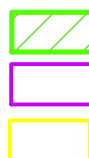
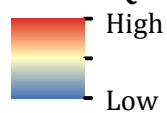


Project & HQT Information

Date of HQT Results: 23 Oct. 2020

Number of Years: 100 Years

HQT Habitat Quality



Project Direct Footprint

Core Area

General Habitat



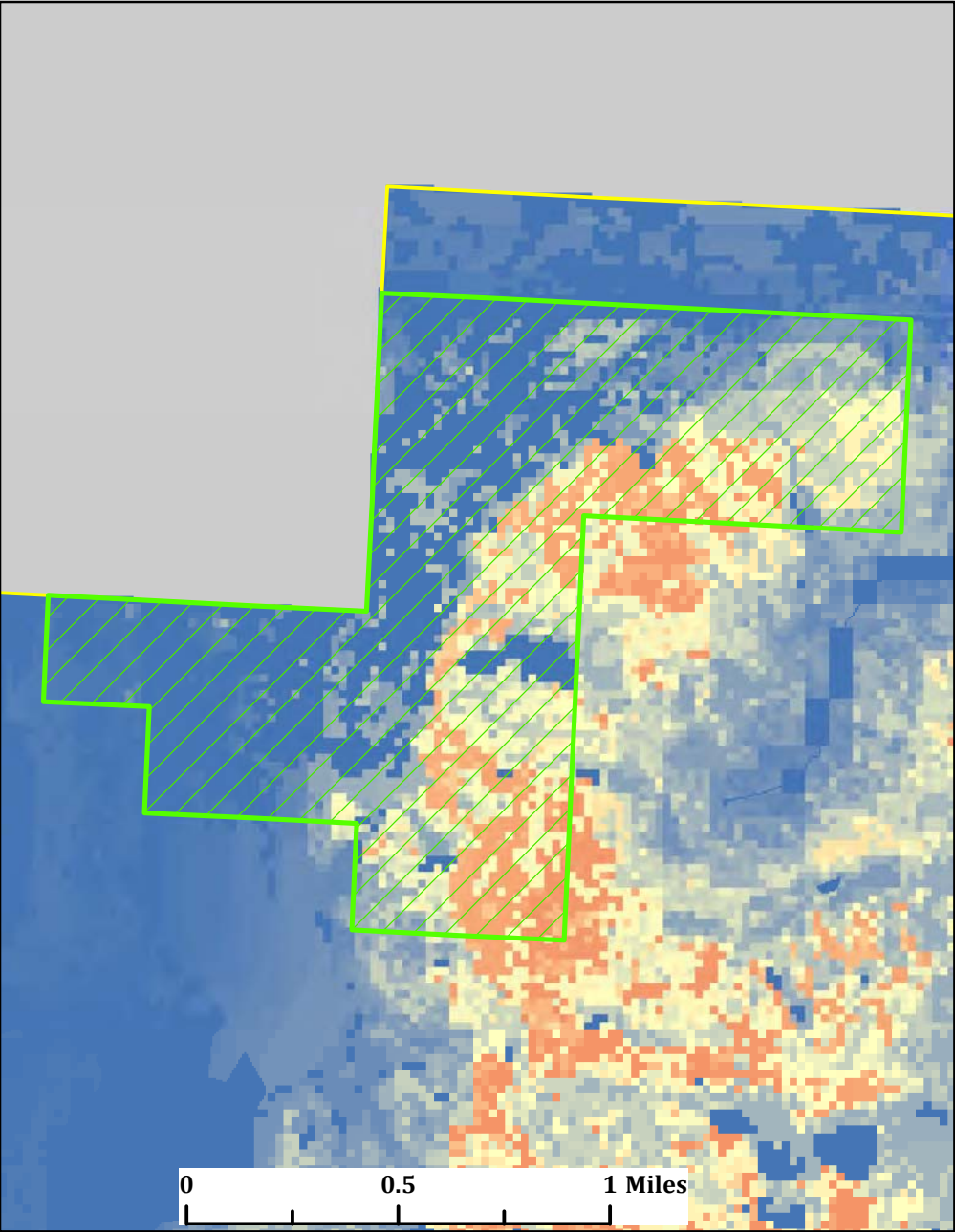
Major Towns

0 0.25 0.5 Miles

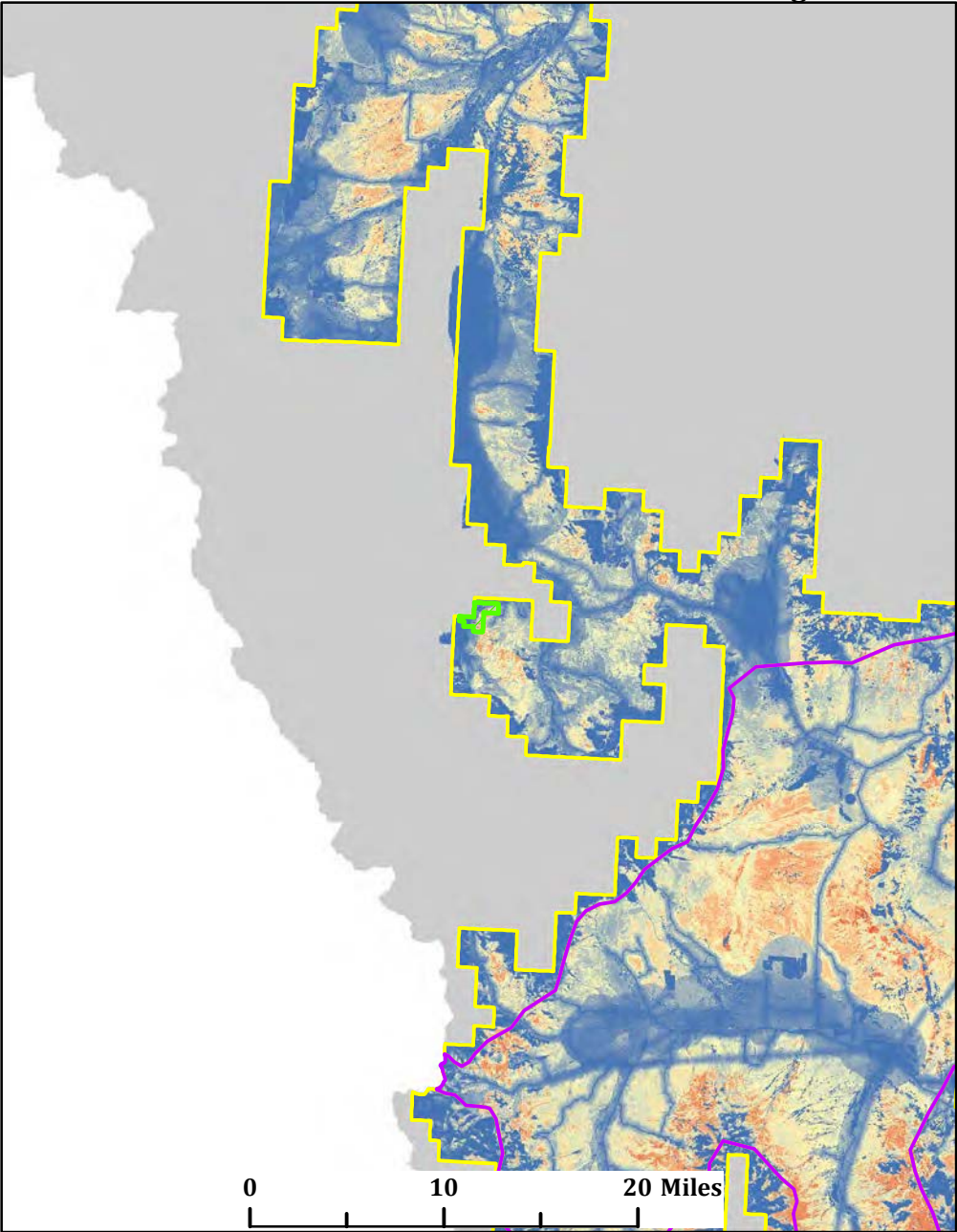


HQT Results: Jackson Ranch - TNC

Local Scale



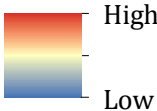
Regional Scale





Project HQT Metadata

HQT Date: 23 Oct. 2020
Years Maintained: 100 Years

HQT Habitat Quality



-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat

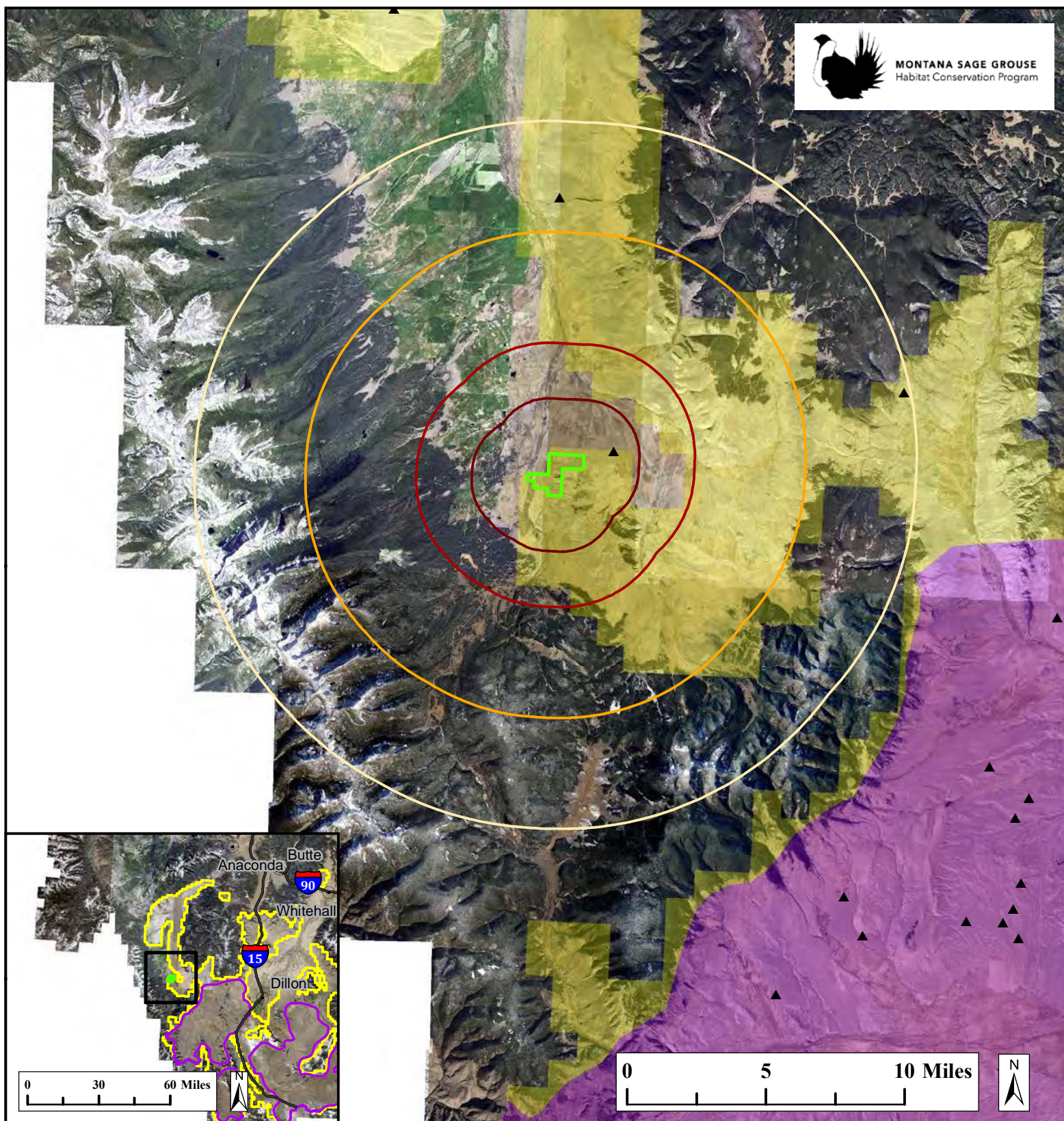


MONTANA SAGE GROUSE
Habitat Conservation Program

Jackson Ranch TNC Conservation Easement - Lek Proximity



MONTANA SAGE GROUSE
Habitat Conservation Program



Project Information:

Map Date: 23 October 2020
PathFile: G:\CARD\10 Sage Grouse HCP\Grant
Program\Third Cycle - November
2020\GIS\Jackson Ranch- TNC\maps\
ProximityToSGLeks.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.

▲	ActiveLeks		Buffer Distances	
	Project Boundary		2 Mile Buffer	
	Core Area		4 Mile Buffer	
	General Habitat		8 Mile Buffer	
	Connectivity Area		12 Mile Buffer	

Leks Within Buffer

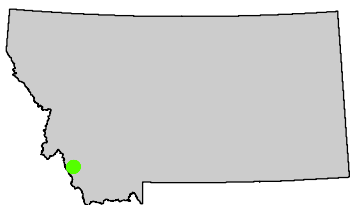
2 Mile: 1
4 Mile: 1
8 Mile: 1
12 Mile: 3

Jackson Ranch TNC Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program

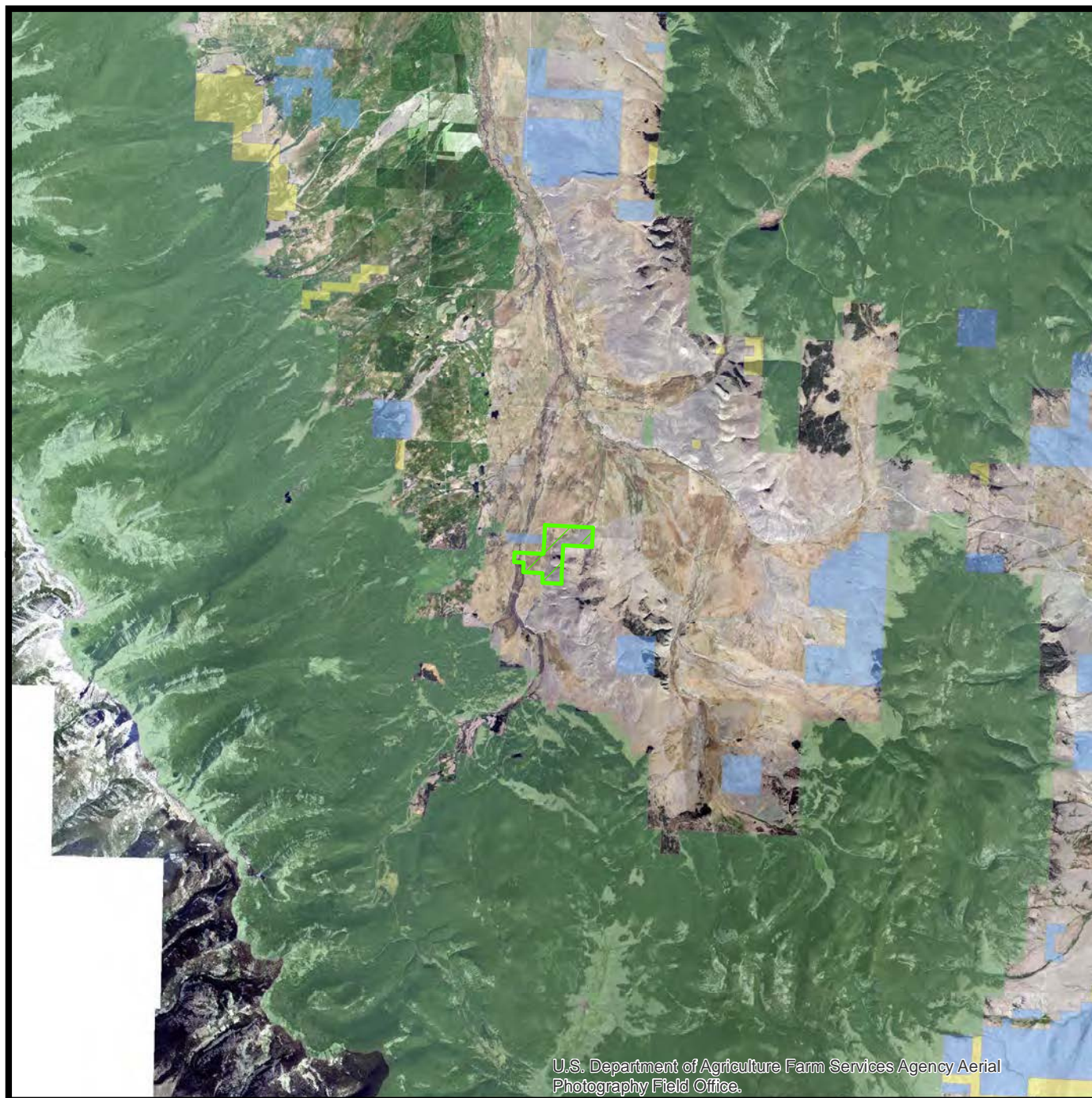
-  **Project Boundary**
-  **County Government**
-  **Montana State Trust Lands**
-  **US Bureau of Land Management**
-  **US Forest Service**



Project Information:

Map Date: 23 October 2020
Path File: G:\CARD\10 Sage Grouse HCP\
Grant Program\Third Cycle - November 2020\
GIS\Jackson Ranch - TNC\maps
publicLands_landscape.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.

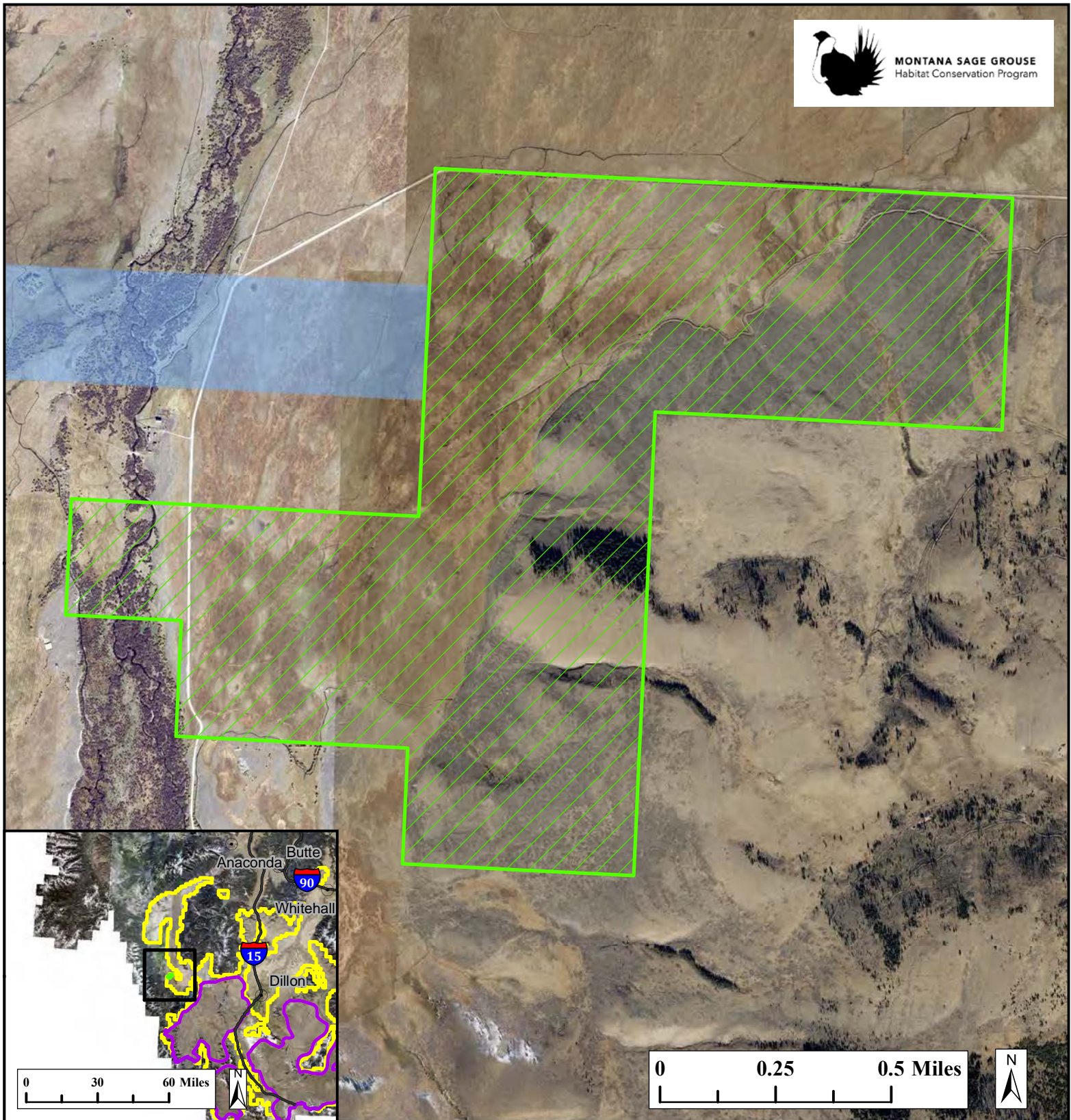
0 7.5 15 Miles

A horizontal scale bar with three segments. The first segment is labeled '0', the second '7.5', and the third '15 Miles'.

Jackson Ranch TNC Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program



Project Information:

Map Date: 23 October 2020
PathFile: G:\CARD\10 Sage Grouse HCP\Grant
Program\Third Cycle - November
2020\GIS\Jackson Ranch- TNC\maps\
PublicLandDDPs.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



Project Boundary



Core Area



General Habitat



Connectivity Area



Montana State Trust Lands

Percentage Conserved Lands within 4 Miles of the Jackson Ranch Conservation Easement (The Nature Conservancy)













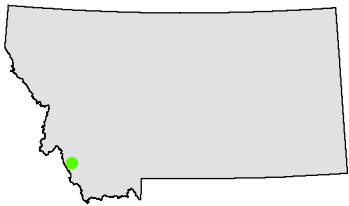
MONTANA SAGE GROUSE
Habitat Conservation Program

Project Information

-  Direct Project Footprint
-  Conserved Lands

Percent of Conserved Lands within 4 Miles of Project Area

-  0% - 10%
-  10.1% - 20%
-  20.1% - 30%
-  30.1% - 40%
-  40.1% - 50%
-  50.1% - 60%
-  60.1% - 70%
-  70.1% - 80%
-  80.1% - 90%
-  90.1% - 100%

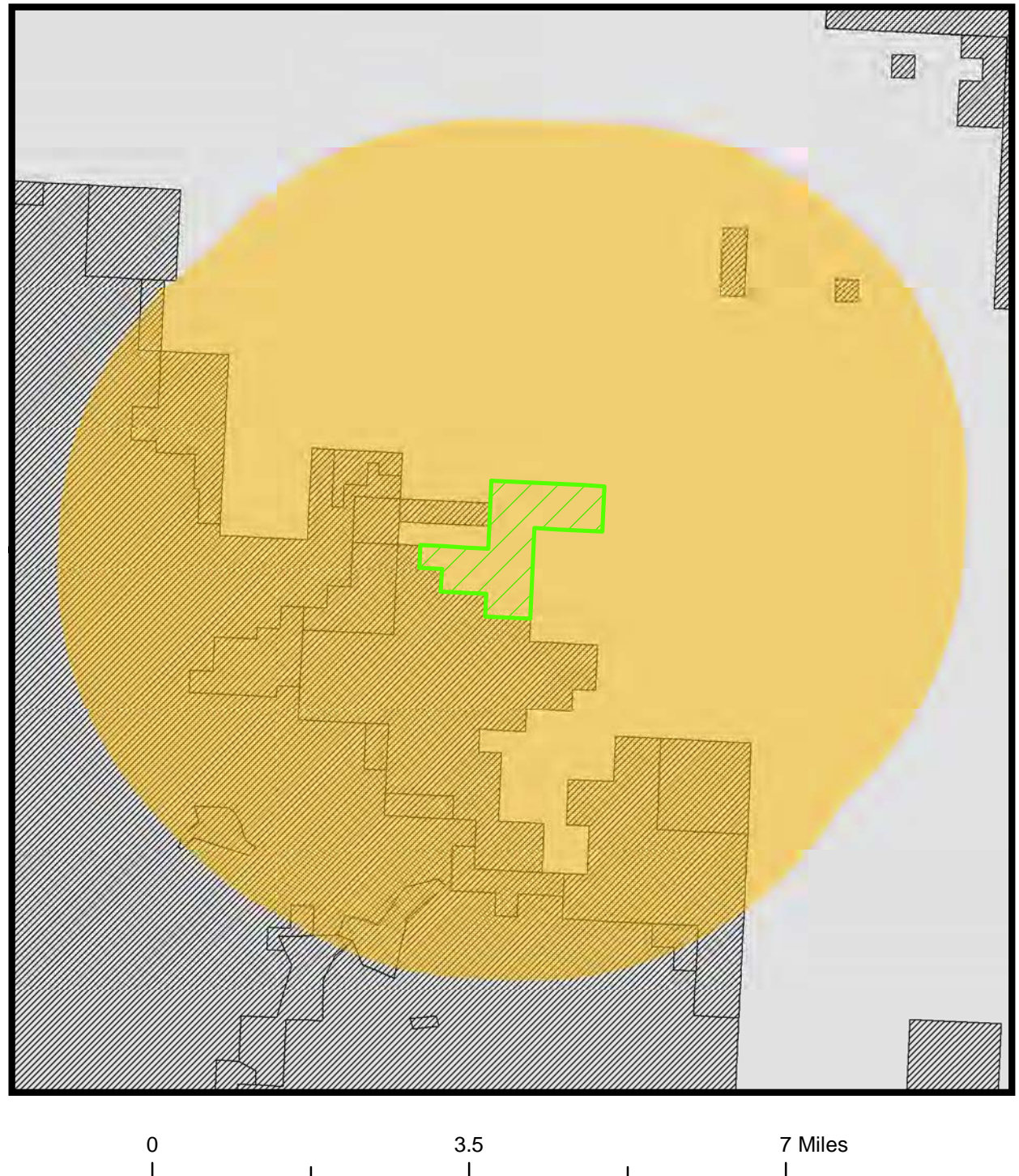


Map Information:

Map Date: 26 October 2020

File Path: G:\CARD\10 Sage Grouse
HCP\Grant Program\Third Cycle - November
2020\GIS\Jackson Ranch-
TNC\maps\4MileConservedLands.mxd

Land Management Dataset from: <http://mtnhp.org/stew.asp>





MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS COMPLETE APPLICATION

INTRODUCTION

Thank you for your interest in sage grouse conservation in Montana. Montana's goal is to conserve sage grouse and sage grouse habitats, to maintain viable populations and habitats, and maintain the flexibility to manage our own lands our wildlife, and our economy. In doing so, Montana can show that listing under the federal Endangered Species Act is not warranted in the future.

Habitat conservation is an important part of Montana's Sage Grouse Conservation Strategy. Montana recognizes the important role private landowners have played in conserving sage grouse and habitat through their land stewardship. Private landowners will continue to play an important role in conservation efforts going forward.

Montana has adopted an "all hands, all lands" approach where we work together collaboratively to address all threats. The Greater Sage Grouse Stewardship Fund is an opportunity to collaborate on sage grouse conservation.

PURPOSE OF THE GRANT PROGRAM

The purpose of the Montana Greater Sage-Grouse Stewardship Act ("Act") is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that emphasize maintaining, enhancing, restoring, expanding, and benefiting sage grouse habitat and populations on private lands, and public lands as needed, that lie within core areas, general habitat, or connectivity areas. MCA § 76-22-102(2).

The Act also requires that the majority of the grant funds be awarded to projects that generate credits that are available for compensatory mitigation. Therefore, MSGOT will prioritize grant awards to projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. The habitat quantification tool will be used to determine the final number of credits generated for any projects funded under the Grant Program.

Applications to the Grant Program do **not** constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015. Participation or receipt of Stewardship Fund Grant Program monies does not exclude or waive necessary review of any new land uses or activities subject to *Executive Order 12-2015*. Any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must also be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to that process.

Applicants are strongly encouraged to read the key documents before applying:

- The *Frequently Asked Questions, Stewardship Grants and Mitigation* document. It is found here: <https://sagegrouse.mt.gov/Grants>. It provides answers to common questions about Stewardship Account grants, mitigation, and private lands.



- The *Application and Award Process Diagram and the 2019 Deadlines* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document outlines the process and deadlines for the 2019 grants.
- The *Application Information and Guidance* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document provides a comprehensive outline of project eligibility, selection criteria, steps in the grant process from the pre-application phase to project implementation, and expectations for different project types. This document also includes the statutory requirements of the grant program located at MCA § 76-22-101 *et seq*, and the administrative rules promulgated to implement the grant program located at 14.6.101-106, ARM.
- The *Montana Mitigation System Policy Guidance Document for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. Portions of Section 1 and all of Section 2 are pertinent to mitigation credit sites. While section 3 is specifically for developers, it has information that may also provide helpful context.
- *Executive Order 12-2015*, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage-Grouse Habitat Conservation Program.
- For term lease or conservation easement projects, see the *Stewardship Account Term Lease / Conservation Easement Acknowledgment Form* at the end of the Complete Application (below).
- For restoration or enhancement projects, see the *Stewardship Account Restoration / Enhancement Acknowledgment Form* at the end of the Complete Application (below).

Applicants are also encouraged to read and become familiar with the following documents before applying:

- The *Montana Mitigation System Habitat Quantification Tool Technical Manual for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. This document explains how credits are calculated for Stewardship Account grant projects.
- *The Montana Greater Sage Grouse Habitat Conservation Advisory Council Final Recommendations*, dated January 29, 2014, and other background materials available at <http://fwp.mt.gov/fishAndWildlife/management/sageGrouse/habitatConservation/>.
- The U.S. Fish and Wildlife Service *Notice of 12 Month Petition Finding*, announcing its decision not to list the greater sage grouse rangewide under the federal Endangered Species Act (i.e. the “not warranted for listing” decision); see 80 FR 59858-59942, October 2, 2015, available at <https://www.federalregister.gov/articles/2015/10/02/2015-24292/endorsed-and-threatened-wildlife-and-plants-12-month-finding-on-a-petition-to-list-greater>. Attention should be placed on portions relevant to Montana.



ADDITIONAL INFORMATION (please read before submitting an application):

How to Submit a Complete Application

All projects should be submitted on the Montana Greater Sage-Grouse Stewardship Account Grant Program Application Form in electronic format by attaching and emailing the application to sagegrouse@mt.gov. Attach additional documents and supporting information, as well. If you do not receive a confirmation email within a few days of sending the application, please send a follow up email to csime2@mt.gov.

Applications should be received via email by 11:59 p.m. on May 6, 2019. If you experience technical difficulty with the electronic submission, please contact Carolyn Sime (406-444-0554, csime2@mt.gov).

Additional Background

Grant funding is provided to implement projects that satisfy the eligibility and evaluation requirements of the Act, provide mitigation to offset development elsewhere, and which further address the primary threats to sage-grouse as identified in *Executive Order 12-2015* and by the U.S. Fish and Wildlife Service in its *12 Month Petition Finding* of “not warranted for listing” published as 80 FR 59858-59942, October 2, 2015. .

Organizations and agencies are eligible for grant funding. In addition, organizations and agencies must hold and maintain conservation easements or leases or be directly involved in sage grouse habitat mitigation and enhancement activities.

Grant recipients are required to enter into a grant agreement with MSGOT and the Program. An applicant is not a grant recipient until the grant agreement has been executed by all necessary parties. Grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act and as appropriate to the project.

Grants funds are distributed as reimbursements in most cases. This means the grantee must submit for reimbursement of expenses incurred. “Up front” funding is not allowed, unless specifically identified in a grant agreement. Similarly, reimbursement funding for activities undertaken prior to the grant agreement’s execution is not allowed.

Grant funding cannot be used to replace or supplement a grantee’s operating budget, unless the budget items directly relate to the conservation of Sage Grouse and the purpose of the grant. For example, grant funding cannot be used to obtain office space, increase a wage or salary, or for acquisition of capital goods, assets, or durable goods (trucks, GPS units, computers, software, etc.).

Depending on the project type, reports will be required. Report content and reporting interval will vary by project type and will be developed in conjunction with grantees. For example, reports for perpetual conservation easements and term leases will be required annually for purposes of monitoring compliance with the terms of the lease or easement. The content and interval for restoration or enhancement will be different.



MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS 2019 COMPLETE APPLICATION

Project Title: Jackson Ranches Conservation Easement

Grant Request Amount (in \$): \$485,000

Applicant(s) Information:

Name: Jim Berkey
Title: High Divide Headwaters Director
Agency/Organization: The Nature Conservancy
Street / P.O. Box: 32 South Ewing Street
City: Helena
State and Zip: Montana 59601
Phone: 406-370-6905
E-mail: jberkey@tnc.org

Point of Contact: (name only one individual):

Name: Jim Berkey
Title: High Divide Headwaters Director
Agency/Organization: The Nature Conservancy
Street / P.O. Box: 32 South Ewing Street
City: Helena
State and Zip: Montana 59601
Phone: 406-370-6905
E-mail: jberkey@tnc.org

Proposal Prepared by: Leave blank if same as Point of Contact.

Name:
Title:
Agency/Organization:
Street/P.O. Address:
City: State: Zip:
Phone #: FAX #:
E-mail:

Request: A one-time advance payment is requested for the proposed conservation easement prior to closing; balance of expenses will be invoiced on a cost reimbursable basis.

Is this a multi-year project for which future grants will be sought? If so, explain. No

All Project Partners/Cooperators. Provide contact information for all persons, organizations, and agencies:

(A) involved in the proposed project

(B) who own lands in the project location, or



(C) who own lands for which the grant applicant is claiming project benefits.

For each identified person, organization, or agency, describe their role in the proposed project.

Identify any MOUs, agreements, or contracts associated with the project.

Jackson Ranches

Private Landowner, Easement Grantor
Twyla Knight, Yvonne Frick
PO Box 20
Jackson, MT 59736
406-834-3178/ twylaknight@me.com

Natural Resources Conservation Service

Likely Funding Partner, Holder of Third-Party Rights in Easement (Intend to apply for FY21 NRCS ALE funds)
Allen Persinger, NRCS Bozeman State Office, 10 East Babcock, Room 443, Bozeman, MT 59715/ 406-587-6873/ allen.persinger@usda.gov

Project Type - Preservation (easement or lease), Habitat Restoration, Habitat Enhancement, or Combination:

Preservation – Perpetual Conservation Easement

If the grant application is a Habitat Restoration or Habitat Enhancement project, is the restoration or enhancement site included within a proposed lease as a combination project in this application? Yes/No.

NA

If No, please describe the measures in place or that would be put into place to protect the site's newly-restored or newly-enhanced habitat conservation values.

Project Narrative: Describe the project and its duration. Include the problems or threats specifically identified at the project location, what actions the project will undertake, and how such actions will address the threats and satisfy the stated goals and objectives of the project. (3 pages of narrative or less)

The Nature Conservancy and the Jackson Family propose to permanently protect 4,760 acres of traditional family ranchland in the upper Big Hole Valley, Beaverhead County, Montana with a perpetual conservation easement. 450 acres of the proposed easement lies within designated "General" greater sage-grouse habitat (GSG Management Zone IV) (Figure 1). None of the project lies within designated Core Area. The 450 acres of the property falling within General GSG habitat consist of high-quality, high elevation (>6,500 feet) mountain big sagebrush steppe with interspersed wet meadows, springs, and lesser amounts of Douglas fir forest. The remainder of the proposed easement property that lies outside of General GSG habitat, consists of a mosaic of sagebrush grassland, flood irrigated and hayed meadow, emergent and scrub-shrub riparian wetland, and scattered aspen and lodgepole forest. The proposed easement



property is bisected by numerous creeks, including the Big Hole River, and Spring, Little Swamp, Engeljard, and Hamby Creeks. The property adjoins both other private ranchland and public lands managed by the Beaverhead Deerlodge National Forest and the State Department of Natural Resources. The private lands immediately south of this project are already protected with a 6,800-acre conservation easement, 4,100 acres of which is intact sagebrush grassland within General GSG habitat (Figure 1).

The Jackson's and The Nature Conservancy respectfully seek State Sage Grouse Program funding support for this easement and ask that the State evaluate our request based on the conservation merits this project offers greater sage-grouse. Recognizing the State's obligation to only fund conservation projects within designated greater sage-grouse habitat, we have consciously limited the amount of the State Fund requested to be commensurate with the benefits this project offers to sage grouse within the 450 acre portion of the project that lies within General Habitat. At \$485,000, our request from the State Sage Grouse Program amounts to a 6% contribution towards the total project cost. The 450 acres comprise 9% of the overall 4,760-acre project. As this narrative will describe below, this project offers outstanding conservation benefits both to sage grouse, other wildlife, and to this traditional agricultural community, across the entire 4,760-acre footprint.

The Upper Big Hole Valley is a high elevation valley bordered on the east by the Pioneer Mountains and on the west the Beaverhead Range. The storied Big Hole valley is much as it was 100 years ago when it was settled by hardy homesteading families, most of whom ran cow/calf operations on the productive valley bottom. The predominant land use for both public and private lands to this day is seasonal livestock grazing. The myriad of creeks that enter from the surrounding mountains have been used to flood irrigate much of the bottomland. These creeks are home to the only surviving (wild) population of fluvial Arctic Grayling within the contiguous lower 48 United States. Drier upland benches throughout the Upper Big Hole Valley support expansive stands of mountain big sagebrush interspersed with wet meadows and springs. These foothills and benchlands support a thriving greater sage grouse population.

The intact native sagebrush steppe and associated wet meadows on this property provides excellent habitat for greater sage-grouse and other sagebrush obligate species of concern, including Brewer's sparrow, sage thrasher, ferruginous hawk, long-billed curlew, sandhill crane, and pygmy rabbit. The ranch and surrounding landscape are also strongholds for elk, moose, pronghorn and mule deer populations. The Big Hole River provide spawning and rearing habitat for Arctic grayling and westslope cutthroat trout. Stands of riparian willows provide habitat for numerous migratory songbirds, including some at-risk species such as willow flycatcher, northern waterthrush, and bobolink.

Nearly the entire proposed Jackson Ranches easement is utilized by greater sage-grouse. The ranch and surrounding landscape's combination of 1) expansive intact sagebrush grassland, 2) abundant interspersed wet meadows, and 3) higher elevation mountain big sagebrush-dominated cover make it high-quality sage grouse habitat.

The Jackson family homesteaded in the Big Hole Valley in the 1880's and have owned and ranched on the subject property since 1900. Through five generations, the Jackson's have run the ranch and supported their family while also demonstrating good land stewardship. The family has been actively enrolled in the Arctic Grayling Candidate Conservation Agreements with Assurances (CCAA) program since its inception. Although The Conservancy has been in contact with the family for over 10 years, the Jackson's only recently decided to bargain-sell a conservation easement in order to solve family estate matters and acquire and protect a



contiguous 880 acres that has been for sale (Figure 1). 3,875 acres of the proposed 4,760-acre easement is owned by Jackson Ranches. Jackson Ranches is securing the remaining 880 acres under a contract to purchase. TNC and Jackson Ranches intend to protect the entire 4,760-acre property with one conservation easement that would close at the same time they take title to the 880 acres.

The Conservancy has received an estimate of the fair market value of the proposed easement of \$8,000,000 from Kevin Pearce, a licensed rural appraiser with New Frontier Ranches. The Conservancy will soon engage Mr. Pearce to complete a USPAP compliant conservation easement appraisal to determine the easement's market value. The Conservancy will seek 75% of this estimated easement value, or \$6,000,000 from the USDA NRCS ALE program's FY21 funding cycle. This is the maximum allowable ALE contribution for a Grassland of Special Environmental Significance (GSS) ALE project. We anticipate that NRCS ALE funding decisions for FY21 will be announced circa late May 2021.

We anticipate that approximately 125 cumulative acres encompassing existing residential and ranch headquarters buildings will be excluded from the conservation easement. None of these exclusions will be within the 450-acre portion of the property that falls within General GSG habitat. Figure 4 provides a map showing preliminary easement exclusion areas. The easement would expressly allow the property to continue to support seasonal grazing, haying, irrigation, and recreation and associated practices (fences, stock water, irrigation ditches, etc). This project will help maintain, sage grouse habitat and populations for the heritage of Montana and its people through a voluntary incentive-based effort.

If funding is secured for this easement, we would aim to close the conservation easement in late 2021.

Management Relevance/Conservation Benefit: Describe the benefits to be achieved if the project is implemented. (200-word narrative or less)

The proposed Jackson easement project includes both flood irrigated bottomlands dissected with creeks and sagebrush benchland described above. Ongoing sage grouse research conducted by Montana Department of Fish Wildlife and Parks (MTFWP) and the US Fish Wildlife Service (USFWS) since 2018 has greatly improved our understanding of sage grouse in the valley. This research team has captured and collared sage grouse hens during breeding season for 3 consecutive years, gathered tissue samples for genetic analysis, and tracked hen movement throughout the year. This team located a lek within 1.5 miles of the Jackson easement boundary and has documented 3 collared sage grouse hens nesting on the Jackson easement property. Figure 2, a map produced by USFWS, shows sage grouse use of the Jackson Ranch, especially during spring breeding and nesting season, but also during summer and fall early and late brood rearing periods. Figure 3 shows sage grouse leks in proximity to the Jackson Ranches Conservation Easement Project.

The proposed easement would protect an important piece of greater sage grouse habitat in the Upper Big Hole Valley adjoining sage grouse habitat that is already protected. Intermountain Core Area, which to-date remains largely unprotected and at high risk of subdivision from recreational development.



Problem / Threat Analysis: Describe the sage grouse problems/threats being addressed by the project and why the project is necessary. (Approximately 100 words)

The rural and undeveloped nature of the Upper Big Hole is currently under threat. Already, large working ranches in the area have been subdivided and developed, fragmenting critical habitat. The pace and scale of this threat has dramatically increased just in the past 6 months. We must respond to opportunities such as the Jackson Ranches and make strategic investments to protect critical habitats while they remain intact.

The proposed conservation easement will address the primary threats to greater sage-grouse habitat identified in southwest Montana: habitat loss and fragmentation due to exurban development, sagebrush control, and improper livestock management. The easement would prohibit subdivision and development of the property and ensure that wet meadows and upland sagebrush grasslands remain open and viable for greater sage-grouse habitat. Easement terms would include provisions prohibiting tilling of native sagebrush grassland vegetation and other significant ground disturbances/ alterations, that would impair conservation values and broad-scale disturbance of native vegetation on the Property.

Project Location:

UTM Coordinates (Easting, Northing, Zone, Datum): 309937.08 m E, 5020400.82 m N, 12T UTM

PLSS Description (County Township Range Section/s):

Jackson Ranches 3,875 acres:

Township	Range	Section_	Legal Descr
06 S	15 W	15	S15, T06 S, R15 W, ACRES 400, S2N2, N2SE4, SW4
06 S	15 W	17	S17, T06 S, R15 W, ACRES 160, SE4
06 S	15 W	08	S08, T06 S, R15 W, ACRES 360, E2, SE4SW4
06 S	15 W	09	S09, T06 S, R15 W, ACRES 40, NW4NW4
06 S	15 W	14	S14, T06 S, R15 W, ACRES 80, SW4NW4, NW4SW4
06 S	15 W	22	S22, T06 S, R15 W, ACRES 240, NW4, N2SW4
06 S	15 W	04	S04, T06 S, R15 W, ACRES 80, E2SW4
05 S	15 W	27	S27, T05 S, R15 W, ACRES 600, E2, SW4, E2NW4, SW4NW4
05 S	15 W	33	S33, T05 S, R15 W, ACRES 160, NW4
06 S	15 W	05	S05, T06 S, R15 W, ACRES 40, SW4SE4
05 S	15 W	28	S28, T05 S, R15 W, ACRES 280, SE4, E2SW4, SE4NE4
05 S	15 W	33	S33, T05 S, R15 W, ACRES 480, E2, SW4
06 S	15 W	16	S16, T06 S, R15 W, ACRES 195, S2S2, PT OF S2NE4
06 S	15 W	21	S21, T06 S, R15 W, ACRES 200, NE4, NE4NW4
06 S	15 W	16	S16, T06 S, R15 W, ACRES 160, NW4
05 S	15 W	34	S34, T05 S, R15 W, ACRES 240, W2SW4, NW4
06 S	15 W	17	S17, T06 S, R15 W, ACRES 160, NE4NE4, NE4NW4, W2NW4NE4, NW4SW4NE4, N2SE4NW4, NE4NW4NE4, SW4SE4NW4, NW4NE4SW4

885 acres Under Contract with Jackson Ranches

Township	Range	Section_	LegalDescr
06 S	15 W	04	S04, T06 S, R15 W, ACRES 160, SE4
06 S	15 W	09	S09, T06 S, R15 W, ACRES 600, S2, NE4, S2NW4, NE4NW4
06 S	15 W	16	S16, T06 S, R15 W, ACRES 125, PT OF NE4

Project Location map(s): Please submit maps as attachments to this document. Be sure to include titles, labels and descriptive references.

Maps attached as final pages of this Application



County name/s: List all counties where the project will occur.

Beaverhead County

Size of Project Area:

Total acres within project boundary, or directly affected by project: **4,760 acres**

Total acres indirectly affected by project (explain): NA

Are there any existing surface use agreements: Yes/No Not to our knowledge.

If there are existing surface use agreements, please describe the nature of the agreements, their duration, and expiration date. Does the lease contain an option to renew?

NA

If the participating private landowners do not own the mineral rights, are the mineral right owners known? Yes/No. No. Mineral ownership is unknown.

NA

Are there any existing mineral leases? Yes/No Not to our knowledge.

If there are existing mineral leases, please describe the nature of the leases, their duration, and expiration date. Does the lease contain an option to renew?

NA

Has a mineral remoteness review test been completed? Yes/No. If yes, please describe the conclusions. If no, is one is expected to be completed and if so, when would results be known?

No. A minerals remoteness report will be completed by June 2021

Is any portion of the Project Area enrolled in NRCS Farm Bill Programs? Yes/No No

If yes, please describe. For example, which NRCS program and when does the project expire? Provide the Township / Range / Section of the enrolled lands.

NA

If there are State Trust Land parcels and /or BLM parcels within the boundary of the proposed project, do the participating landowners hold the appropriate state or federal lease, grazing or farming authorizations? Yes/No. YES

If yes, please provide some background information about the authorization and its expiration date. If no, please provide some additional background.

State DNRC lands within N1/2 S1/2 of Section 16, T6SR15W are leased by Jackson Ranches for grazing on a standard ten-year term, renewed last in March 2019.



Surface Land Ownership:

(check all that apply) Federal _____ State _____ Private X

If project will affect a mosaic of land ownerships (e.g., mix of federal, state and/or private lands), provide a breakdown for each specific owner type by acres and percent of total project area.

	Federal	State	Private	Total
Directly Affected				
Acres			4,760	4,760
Percent of Total			100%	
Indirectly Affected				
Acres				
Percent of Total				

Project Activity Description: (check all that apply)

 Reduction of Conifer Encroachment

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

 Reduction of Invasive Weeds

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

 Maintenance/Restoration/ Improvement of Sagebrush Health or Quality

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				



Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

☒ **Purchase/Acquisition of a Term Lease or Conservation Easement**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres			450	450
Percent of Total			9%	9%
Connectivity Area				
Acres				
Percent of Total				

☐ **Incentives to Reduce Conversion of Grazing Land to Cropland**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

☐ **Restoration of Cropland to Grazing Lands**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

☐ **Demarcation of Fences**

	Federal	State	Private	Total
Core Area				
Miles				
Percent of Total				
General Habitat				
Miles				
Percent of Total				



Connectivity Area				
Miles				
Percent of Total				

____ **Reduction of Unnatural Perching Platforms for Raptors**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

____ **Reduction of Unnatural Safe Havens for Predators**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

____ **Other: Briefly Explain**

	Federal	State	Private	Total
Core Area				
Number of Acres or Structures				
Percent of Total				
General Habitat				
Number of Acres or Structures				
Percent of Total				
Connectivity Area				



Number of Acres or Structures				
Percent of Total				

____ Modification of Fire Management to Conserve Sage Grouse Habitat or Populations (Briefly explain)

Vegetation Management: If the project involves any vegetation management, manipulation, or treatment (i.e. conifer reduction, grazing land management, sagebrush management or restoration wildfire management) complete the following. (Check all that apply.)

NA

Mechanical Treatment _____ Chemical Treatment _____ Prescribed Fire _____
Restoration _____ Reseeding/Planting _____ Deferred Grazing _____
Invasive/Noxious Plant Removal _____ Other(s) (explain) _____

Identify the post-treatment management strategies to be implemented (e.g. livestock grazing plans, weed control, infrastructure maintenance, etc.). (500-word narrative or less. Attach additional information if necessary.)

NA

Local Impacts: Describe any impacts or benefits to the local communities, including socioeconomic impacts or benefits. (200-word narrative or less. Attach additional information if necessary.)

Brief description of the socioeconomic impacts of the project on the local community,

Jackson Ranches has been an iconic ranch family anchor in the Jackson and Upper Big Hole community and has been in operation for over 100 years. Such traditional ranches face constant and ever-increasing challenges to stay in business and adapt to changing markets and generation transfers. As a relatively large ranch operation, Jackson Ranches, Inc has a positive socioeconomic impact on the immediate Big Hole Valley and Beaverhead County. The Jackson's would like to see their property remain open and productive for both ranching and wildlife. This easement would represent a positive socioeconomic step – both helping this operation financially and maintaining the traditional ranching lifestyle/ heritage which has sustained habitat for wildlife, including greater sage-grouse, for generations.

Other Benefits: List and describe any other benefits that will be achieved from the project. (e.g. educational, economic, research, public access, other environmental or conservation services, etc.)

The Upper Big Hole Valley in Montana remains a relatively wild, unfragmented landscape of working ranches interspersed with public lands. It is high intermountain valleys like this that



provide vital habitat connecting the Greater Yellowstone Ecosystem to the Crown of the Continent and the Salmon Selway of central Idaho for wide-ranging species such as grizzly bear and wolverine and a myriad of plant and animal species undergoing range shifts due to climate change. These high valleys also provide ample cold and clean waters to the headwaters of the Missouri, that will help wildlife and human communities downstream be more resilient to drought. The perennial streams on the ranch support both the threatened Arctic grayling and genetically pure westslope cutthroat trout.

Expected duration of effects from proposed project: Check the appropriate box.

____ 1-15 years; ____ 15-20 years; ____ 20-25 years; ____ 25-30 years; ____ 30-35 years; ____ 35-40 years; ____ 40-45 years; ____ 45-50 years; X in perpetuity.

If the expected duration is in perpetuity, please explain how the applicant and project participants will legally and physically ensure perpetual protection of the proposed habitat project and its benefits.

The Nature Conservancy has a long history of conservation easement stewardship in Montana, having secured the first easement in the state in 1976. Currently, the Conservancy manages ~180 conservation easements that cover nearly 430,000 acres in Montana. The Conservancy meets all the best practices for conservation easement stewardship and enforcement and has been accredited by the Land Trust Alliance. Among practices employed are maintenance of a permanent endowment that pays for annual monitoring costs, annual on-site monitoring, annual or more frequent engagement with landowners, and yearly report generation of property use and condition compared with consistent and inconsistent uses of the easement.

If the expected duration is a term of years, please explain how the applicant and project participants will ensure protection of the proposed habitat project and its benefits.

NA

Total Montana Greater Sage Grouse Stewardship Account Funding Request:

Cash \$ 485,000

Percentage of Total Project Cost 6 %

Narrative Details for Funds: list all sources of funds or in-kind contributions, the amount, whether such funds are in-hand or committed, and any limitations on the use of such funds.

Source	Amount	In-kind Cash?	or	In-hand Committed?	or	Any Limitations?
TNC	\$15,000	cash		In hand		
NRCS ALE FY21	\$6,000,000	cash		Will apply		
Landowner Donation	\$1,550,000	In-kind		pledged		



Narrative explanation of whether matching funds are in-hand, committed, or have been applied for through other granting opportunities. If not in-hand at the time the application is submitted, please address timeline for when decisions regarding the other granting opportunities will be made and communicated to applicants.

The Conservancy will seek 75% of this estimated easement value, or \$6,000,000 from the USDA NRCS ALE program's FY21 funding cycle. This is the maximum allowable ALE contribution for a Grassland of Special Environmental Significance (GSS) ALE project. We anticipate NRCS ALE funding decisions for FY21 will be announced circa late May 2021.

For in-kind contributions, explain basis and method for valuation:

In-kind contribution from landowner of \$1,550,000 would result from their acceptance of a below-market value payment for the conservation easement. The final easement appraisal and amount of cash TNC raises for the easement purchase will dictate the exact amount of this in-kind contribution.

For cash match that is committed but not yet in-hand, explain the circumstances of the commitment, the date committed, and if cash, when the cash will become available:

If including any project monitoring or stewardship costs, please explain how the budget item listed in the tables below directly relate to the purposes of the grant. [Grants may not be used to supplement or replace the operating budget of an agency or organization except for budget items that directly relate to the purposes of the grant. § 76-22-110(4), MCA.]

Restoration or Enhancement Project Costs / Budget (Complete the table below if the application is for restoration or enhancement projects; if restoration or enhancement areas would also be included in a lease or conservation easement, separate out project costs / budget accordingly by completing both this table and the one below.)

Item	Matching Cash Contribution	Matching In-Kind Contribution	Stewardship Account Request	Total
Project Planning and Design				
Contractor Costs				
Permitting				
Other				
Project Implementation				
Contractor Costs				



Supplies/Materials				
Equipment Costs				
Salaries/Labor				
Other				
Project Monitoring				
Operation and Maintenance				
Total Cost Estimate				



Term Lease or Conservation Easement Project Costs / Budget (Complete the table below if the application is for a term lease or conservation easement; if a term lease or conservation easement project would also include restoration or enhancement activities, separate out project costs / budget accordingly by completing both this table and the one above.)

Item	Cash Contribution	Matching In-Kind Contribution	Requested Contribution	Total
a. Project Planning and Design				
Engineering Applicant				
Contractor				
Landowner				
Baseline Inventory Report (Environmental Documentation Report) Applicant				
Contractor			8,000	8,000
Environmental Hazards Assessment			1,000	1,000
Survey				
Mineral Report Applicant				
Contractor			500	500
Appraisal			25,000	25,000
Title Commitment				
Title Insurance				
Mortgage Subordination				
Resolution of Legal Access				
Land Trust Transaction Fee				
Appraisal				
Closing and Recording Fees			500	500
Other Expenses				
Sub-Total			35,000	35,000
b. Project Implementation				
Manpower Applicant				
Contractor				
Landowner				
Equipment Applicant				
Contractor				
Landowner				

Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Perpetual Easement Stewardship Fee / Endowment	15,000			15,000
Total Easement Value	6,000,000	1,550,000	450,000	8,000,000
Other				
Sub-Total	6,015,000	1,550,000	450,000	8,015,000
c. Project Operation/Maintenance				
Manpower				
Applicant				
Contractor				
Landowner				
Equipment				
Applicant				
Contractor				
Landowner				
Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Monitoring Stewardship				
Other				
Sub-Total				
d. GRAND TOTAL	6,015,000	1,550,000	485,000	8,050,000

If a Conservation Easement, Summary of Acquisition Budget:

Appraised Value of Conservation Easement: \$8,000,000 (appraiser's estimate)

Landowner Donation: \$ 1,550,000

Other Donation: _____

Purchase Price: \$6,450,000

Source of Easement Funds: (list all sources)

Stewardship Account: \$485,000

Other: NRCS ALE(FY21): \$6,000,000

Other: _____

Other: _____



Project Readiness / Implementation Schedule: List time line including month and year when project is expected to be initiated and completed.

Month/Year overall project begins: August 2020

Month/Year overall project ends: estimated: December 2021

Month/Year Stewardship Account Grant funding would begin: estimated: December 2021

Month/Year Stewardship Account Grant funding would end: estimated: December 2021

Likelihood of Implementation: Have all necessary permits/approvals been obtained? Projects judged unlikely to be implemented may be given lower priority.

PERMIT OR AUTHORIZATION	REQUIRED		SUBMITTED		APPROVED	
	Yes	No	Yes, Date	No, date expected	Yes, Date	No, date expected
Cultural Resource Inventory		x				
COE Section 404 Permit		x				
Cooperative Agreement(s)		x				
*NEPA Analysis		x				
Pesticide Application Permit		x				
Private Landowner Agreement(s)		x				
Sensitive Species Clearance		x				
Surface/Ground Water Permits		x				
T/E Species Clearance		x				
Others (explain)						
County Planning Authority CE Review **	x			Sept 2021		Nov 2021

**Montana Code Annotated 76-6-206 requires that any conservation easement be provided to local planning authorities, which have up to 90 days to review and comment on a conservation easement.

***If NEPA is Required:** What is the type of NEPA analysis required: Environmental Impact Statement (EIS); Environmental Assessment (EA); Categorical Exclusion (CE); Biological Assessment/biological Evaluation (BA/BE); etc.? What federal agency will conduct the analysis and who is the primary agency contact? What is the estimated submittal and approval dates?



Project Timeline and Estimated Completion Date. (Explain, 200 words or less)

The Jackson Ranches Easement project will have all basic due diligence steps completed by no later than October 2021. The **Appraisal** and **Mineral Remoteness Report** will be ordered in November 2020 and we expect both will be complete before June 2021. The **conservation easement** will be drafted and reviewed by both TNC and Landowner during spring 2021. The field work for both **Baseline Report** and **Environmental Assessment** will be conducted summer 2021 and would be completed by October 2021. Near final easement terms will be submitted for **Beaverhead County Planning Authority review** by September 2021. The Landowner and TNC will enter into a **purchase and sale agreement** likely in late 2021 to formalize purchase price, conditions to close, and closing date.

Project Monitoring Plan: All projects require monitoring to determine effectiveness relative to the statutory purposes of the Act to conserve sage grouse habitat and populations. Identify what monitoring program and protocols are in place or will be put in place to assess and quantify the results achieved by the project. Identify those responsible for monitoring. Include both short-term and long-term monitoring. A Project Close-out Report may be required for each project upon completion, to allow tracking of expenditures and attainment of results. Photos, summaries, etc. may be required. If a monitoring plan has not yet been developed, the Sage Grouse Habitat Conservation Program will work collaboratively with successful applicants to develop a plan. (Approximately 2 pages of narrative or less. Attach additional documentation if needed.)

Given that this is a conservation easement, and the action is a one-time event, monitoring will be different than a typical habitat restoration project. For the conservation easement, the Conservancy will provide the state a recorded copy of the conservation easement, baseline report, and associated documents. The Conservancy would conduct annual compliance monitoring of the conservation easement in perpetuity and will provide the State with copies of annual monitoring reports as requested.

Attachments and Supporting Documentation. (Required documentation and supporting materials will vary by project type but check all that are available at the time of submitting a complete application. The Program may contact grant applicants for additional clarification.)

- ☒ Project Design / Maps
- ☒ Final Spatial Data
- ☒ Letters of Support
- ☐ Site Management or Stewardship Plan
- ☐ Grazing Plan, if applicable
- ☐ Restoration Plan, if applicable
- ☐ Enhancement Plan, if applicable
- ☐ Draft Term Lease or Conservation Easement with terms, if applicable **(not available at this time)**



_____ Mineral Remoteness Review Report for perpetual conservation easements **(not available at this time)**

_____ Market Appraisal for perpetual conservation easements **(not available at this time)**

___NA___ Site Monitoring Plan

___NA___ *Stewardship Account Term Lease / Conservation Easement Acknowledgement* (see below; include as many signatory pages as there are project participants)

_____ *Stewardship Account Restoration or Enhancement Project Acknowledgement* (see below; include as many signatory pages as there are project participants)

_____ Budget **(Already within the grant)**

___NA___ MOUs and other Agreements

_____ Other (list): _____

For those attachments and supporting documentation that are not available at the time of submitting a complete application, indicate when they will become available:

Conservation Easement Deed:	Anticipate this will be available June 1, 2021
Mineral Remoteness:	Anticipate this will be available June 1, 2021
Appraisal:	Anticipate this will be available June 1, 2021

Additional Information for Consideration.



GENERAL ACKNOWLEDGEMENT, ALL PROJECTS

Please initial each verification or acknowledgment and sign below.

- ☒ All Applicants verify that they have read the *Application Information and Guidance* document before filling out this application.
- ☒ All Applicants verify that they have read Executive Order 12-2015, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage Grouse Habitat Conservation Program.
- ☒ All Applicants acknowledge that grant recipients are required to enter into a grant agreement with MSGOT and the Program, and that an applicant is not a grant recipient until a grant agreement has been executed by all necessary parties. Such grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act.
- ☒ All Applicants acknowledge that MSGOT will prioritize grant awards for projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. Such assurances may be included in the grant agreement but will be included in other project documents.
- ☒ All Applicants acknowledge that applications to the Grant Program do not constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015, and any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must still be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to its procedures or process.
- ☒ (If this Application seeks grant funding for a conservation easement or a term lease) All applicants verify that all parties to the term lease or conservation easement have read and signed the attached the *Stewardship Account Term Lease / Conservation Easement Acknowledgement Form*. Include as many copies as there are project participants.
- ☒ (If this Application seeks grant funding for a restoration or enhancement project) All applicants verify that all parties to the project have read and signed the attached the *Stewardship Account Restoration or Enhancement Project Acknowledgement Form*. Include as many copies as there are project participants.

Signature: *James Berkey*

Printed Name: James Berkey

Title: High Divide Headwaters Director

Date: 10/19/20



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

All parties to the proposed term lease or conservation easement must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor, and every land trust or holder of the conservation easement. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any lease or conservation easement selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the applicable lease or conservation easement agrees through the grant agreement and the lease or easement document to establish the State of Montana as a third-party beneficiary to the lease or easement with a contingent right to enforce the terms of the lease or easement if the grantee fails to do so.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree through the terms of the lease or conservation easement that the lease or conservation easement may not be transferred for value, sold, or extinguished without consent of the State of Montana or its agents.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree that the lease or conservation easement will recognize the State of Montana or its agent's right to take legal action to enforce the terms of the lease or easement or to recover from the proceeds of the transfer for value, sale, or extinguishment the state's pro rata share of the proceeds based on the funds the state provided pursuant to this part for the creation of the lease or easement.

The signatories further acknowledge that MSGOT will retroactively calculate, own, and make available credits for leases and conservation easements purchased with grant funds using the most current version of the Habitat Quantification Tool and the Policy Guidance documents and applicable state laws.

The signatories further acknowledge that monitoring reports will be required. The content and reporting interval will be developed collaboratively between the grant recipient and the Montana Sage Grouse Habitat Conservation Program. Reporting requirements will be tailored the project.

The signatories further acknowledge that grant recipients and the Montana Sage Grouse Habitat Conservation Program will collaboratively develop and agree upon the schedule or frequency of payments from the Stewardship Account. The schedule will be included in the grant agreement.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program or its agents can inspect the lands and verify the credits created from lands included within the term lease or conservation. At all times, the state will seek to make arrangements well ahead of time, provide reasonable prior notice, and will not interfere with the landowner's use and enjoyment of the land.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program will work with the grant recipient and participating landowners to develop a credit site mitigation plan. The plan will describe the credit estimation, verification, and



monitoring processes. In most cases, existing stewardship plans, grazing plans, or similar will suffice and the mitigation plan will recognize them, while setting out the credit details of the site.

The signatories further acknowledge that term leases should be filed in the county of record, similar to perpetual conservation easements.

The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the lease or conservation easement and otherwise allow the State of Montana or its agents to protect its interests as third-party beneficiaries to the lease or conservation easement.

Signature:	<u>James Berkey</u>
Printed Name:	<u>James Berkey</u>
Title:	<u>High Divide Headwaters Director</u>
Role in the Project (owner, land trust, etc.):	<u>The Nature Conservancy</u>
Date:	<u>10/19/20</u>



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

All parties to the proposed term lease or conservation easement must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor, and every land trust or holder of the conservation easement. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any lease or conservation easement selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the applicable lease or conservation easement agrees through the grant agreement and the lease or easement document to establish the State of Montana as a third-party beneficiary to the lease or easement with a contingent right to enforce the terms of the lease or easement if the grantee fails to do so.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree through the terms of the lease or conservation easement that the lease or conservation easement may not be transferred for value, sold, or extinguished without consent of the State of Montana or its agents.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree that the lease or conservation easement will recognize the State of Montana or its agent's right to take legal action to enforce the terms of the lease or easement or to recover from the proceeds of the transfer for value, sale, or extinguishment the state's pro rata share of the proceeds based on the funds the state provided pursuant to this part for the creation of the lease or easement.

The signatories further acknowledge that MSGOT will retroactively calculate, own, and make available credits for leases and conservation easements purchased with grant funds using the most current version of the Habitat Quantification Tool and the Policy Guidance documents and applicable state laws.

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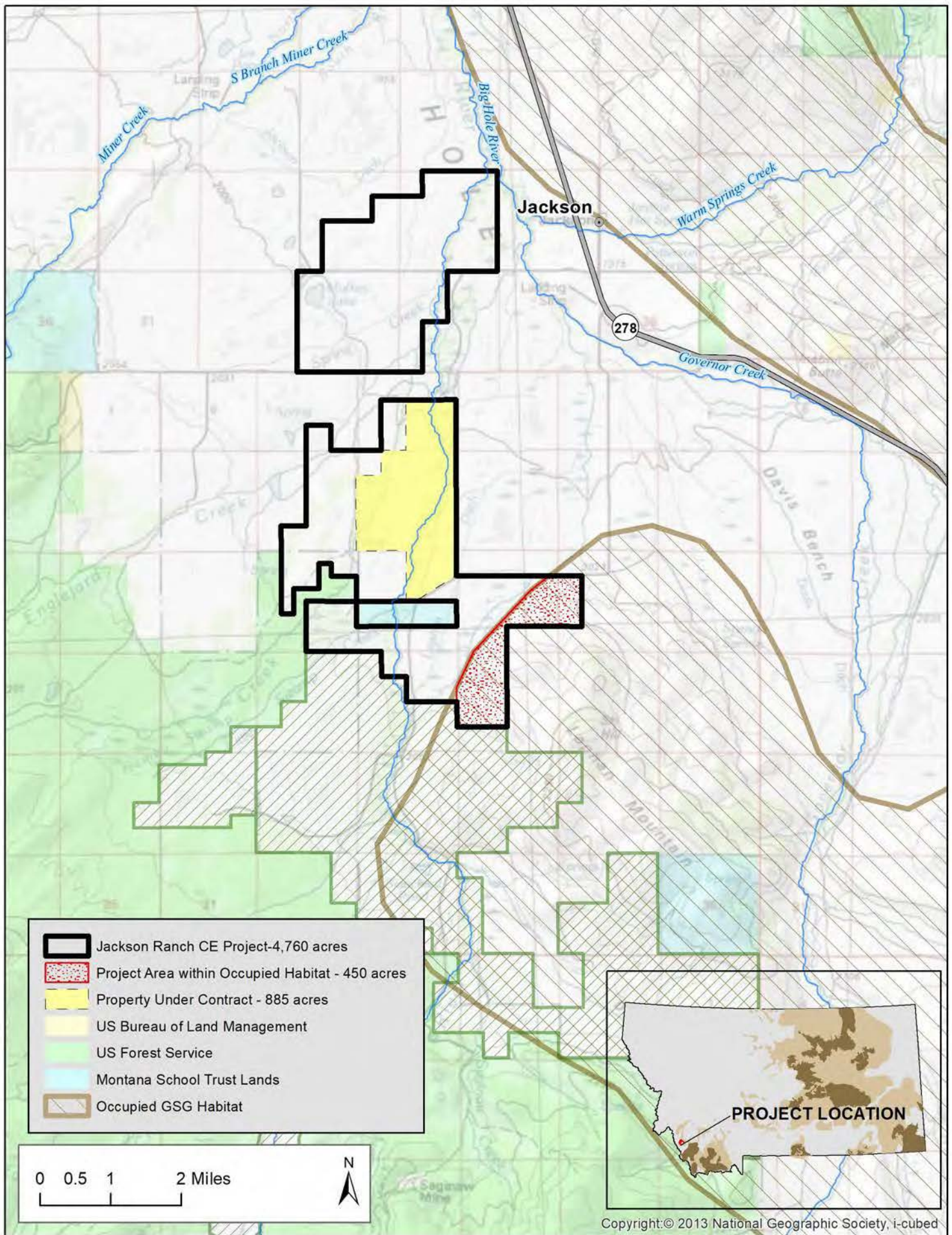
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The signatories further acknowledge that term leases should be filed in the county of record, similar to perpetual conservation easements.

The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the lease or conservation easement and otherwise allow the State of Montana or its agents to protect its interests as third-party beneficiaries to the lease or conservation easement.

Signature:	<u>Twyla Knight</u>
Printed Name:	<u>Twyla Knight</u>
Title:	<u>President, Jackson Ranches</u>
Role in the Project (owner, land trust, etc.):	<u>Owner</u>
Date:	<u>10-18-2020</u>

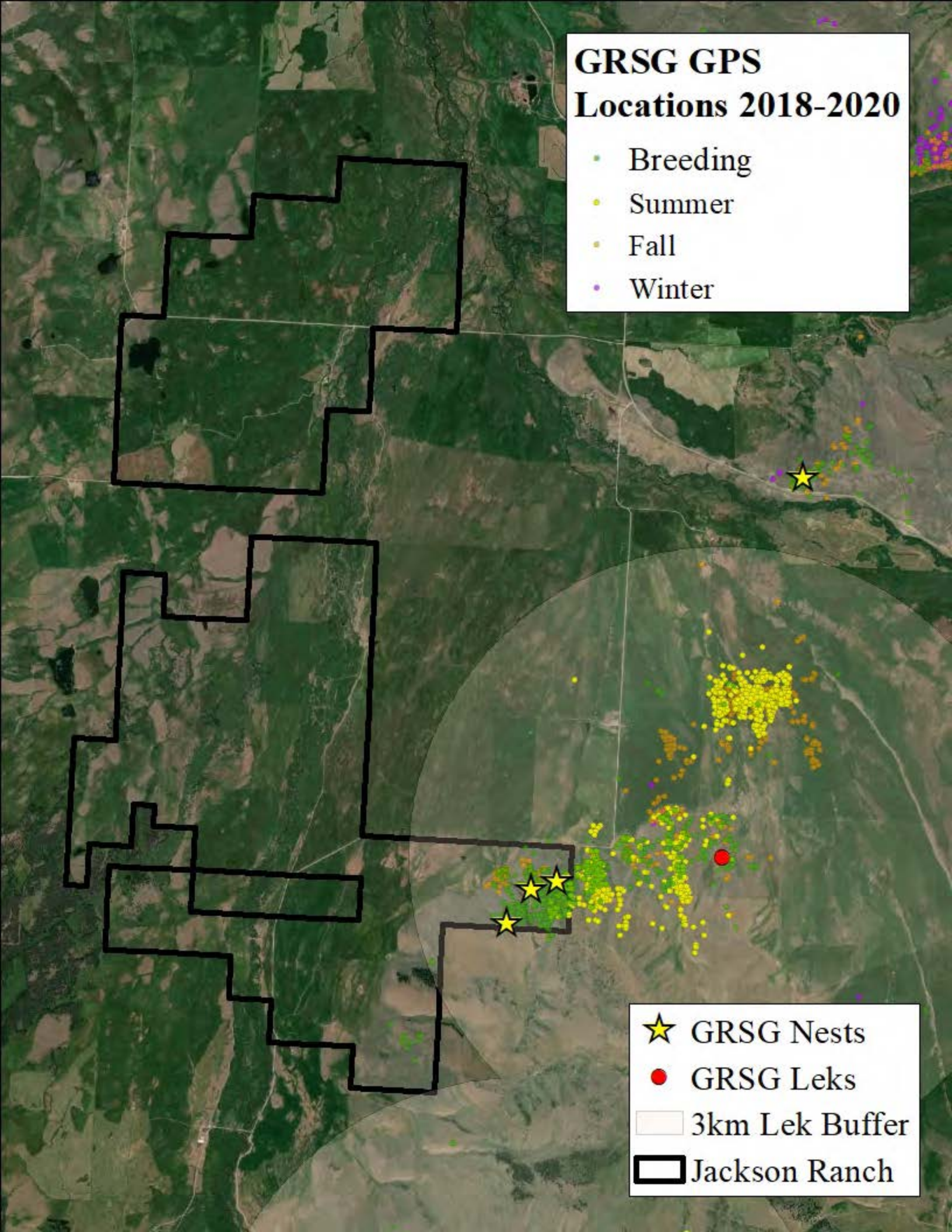
Jackson Ranches Conservation Easement Project Overview



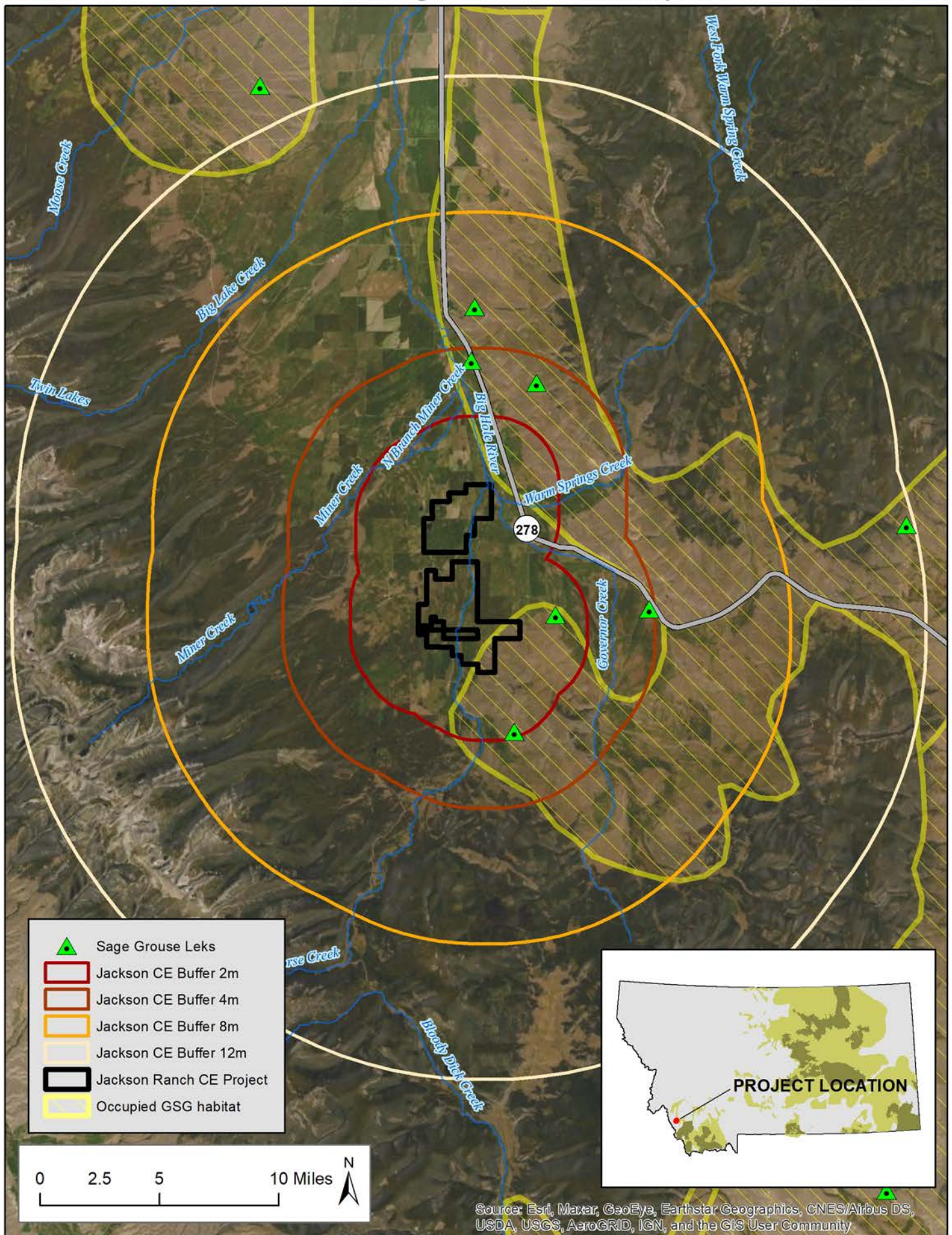
GRSG GPS Locations 2018-2020

- Breeding
- Summer
- Fall
- Winter

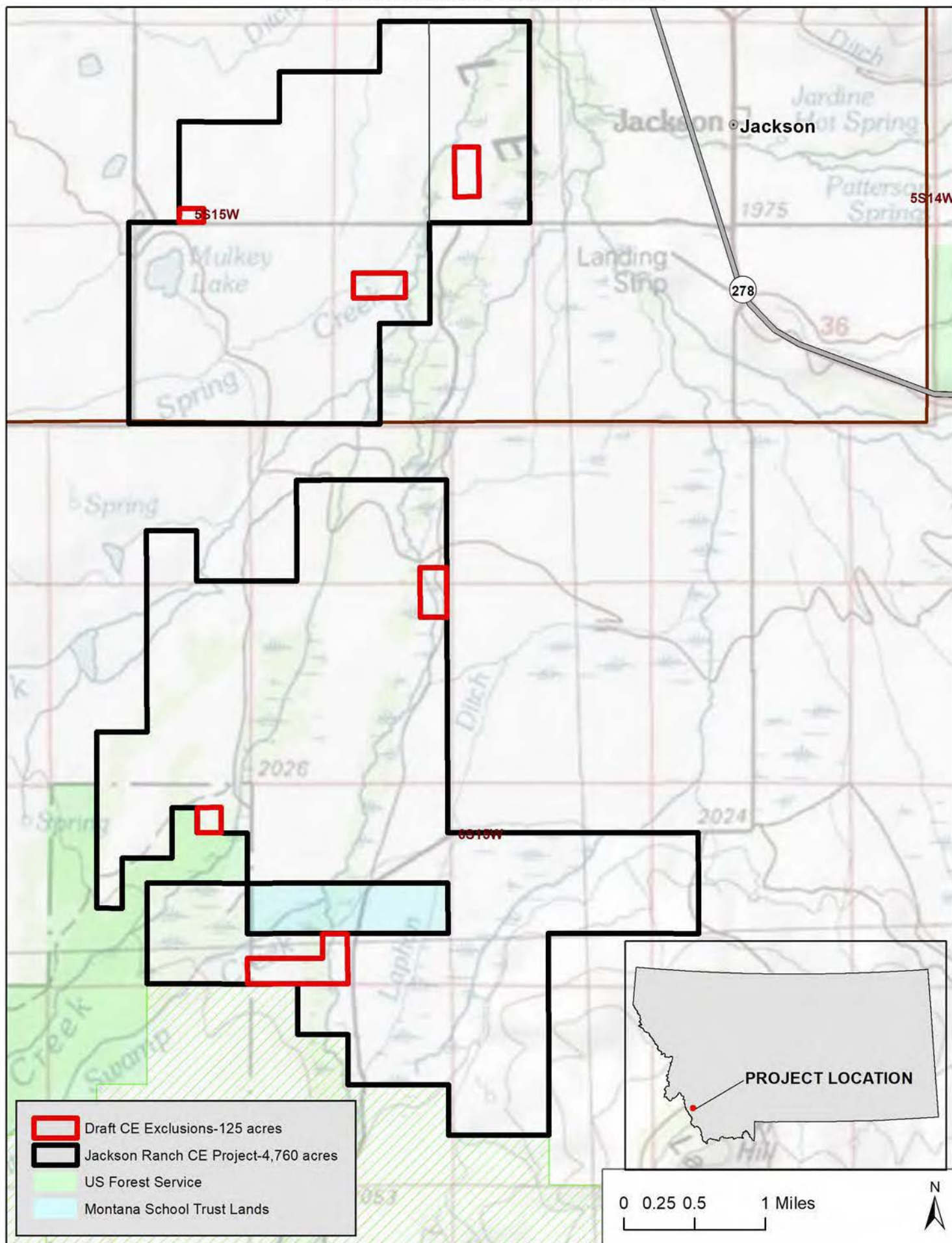
- ★ GRSG Nests
- GRSG Leks
- 3km Lek Buffer
- ▭ Jackson Ranch



Jackson Ranches Conservation Easement Greater Sage Grouse Lek Proximity



Jackson Ranches Conservation Easement Project Areas Excluded From Easement





United States Department of the Interior

FISH AND WILDLIFE SERVICE
Montana Partners for Fish & Wildlife
420 Barrett Street, Dillon, MT 59725



Ms. Carolyn Sime
Montana Sage Grouse Habitat Conservation Program
Department of Natural Resources and Conservation
1539 Eleventh Ave. Helena, MT 59601

Dear Ms. Sime,

Please accept this letter of support for The Nature Conservancy's (TNC) Jackson Ranch Conservation Easement proposal in the Big Hole watershed. I have had the pleasure of working with the Jackson Ranch for over two decades to implement conservation projects and actions and appreciate their stewardship and desire to protect this property. Since 2017, TNC and the Southwest Montana Sagebrush Partnership (SMSP) have markedly increased the pace and scale of sagebrush habitat protection and restoration in the High Divide of Southwest Montana. This proposal builds upon those efforts and will help move the needle for successful sage steppe habitat conservation. An on-going collaborate Sage Grouse Ecology Project in the Big Hole Watershed has documented sage grouse utilizing habitat on and nearby the Jackson Ranch year-round, including hens nesting on the Jackson Ranch. Movement data has also documented sage grouse migrating from the Big Hole south into Core Sage Grouse Habitat in Horse Prairie valley which emphasizes the need for landscape scale conservation. The Jackson Ranch not only has productive habitat for greater sage grouse and sage brush obligate species but includes diverse mosaic of wildlife habitat that includes sage steppe, timber, mesic, and riverine habitats that support many wildlife species including elk, mule deer, pronghorn, moose, numerous avian species and Arctic grayling. From a wildlife perspective the Jackson Ranch has undeniable high conservation value.

The USFWS Montana Partners for Fish & Wildlife Program (PFW) has collaborated with private landowners and TNC for many years to implement watershed scale conservation and identify long-term strategies that protect and maintain resiliency in our watersheds. We have identified the Big Hole /High Divide as a conservation focus area due to its unique assemblage of wildlife species, intact habitats and potential to implement conservation at a landscape scale. We look forward to continuing our partnership with TNC to engage in future efforts in the High Divide. I am confident as a partner that your support for these efforts are building a better future for SW Montana. Thank you for considering this proposal.

Sincerely,

James P Magee

James Magee

Fish and Wildlife Biologist
MT Partners for Fish and Wildlife Program
U.S. Fish and Wildlife Service

INTERIOR REGION 5 MISSOURI BASIN

KANSAS, MONTANA*, NEBRASKA, NORTH DAKOTA,
SOUTH DAKOTA

*PARTIAL

INTERIOR REGION 7 UPPER COLORADO RIVER BASIN

COLORADO, NEW MEXICO, UTAH, WYOMING

Mussard-Barrett

Mussard Ranch Conservation Easement Project Analysis			
	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Total Acres included in Easement Area	2,436	92,752	449,596
Core Acres	2,436	87,052	308,758
General Acres	0	4,116	53,524
Connectivity Acres	0	0	0
Outside Habitat	0	1,583	87,313
Percent Core	100%	94%	69%
FWP Lek Count (May be other Leks present)	0	4	24
FWP Total Male Count (Most Recent)	0	51	269
FWP Avg. Male Count	0	13	11
Project Cost/Acre	\$216.63	NA	NA

Conservation Status	Project Area	4 Mile Buffer (%)	12 Mile Buffer (%)
Percent Public (MT FWP, STL, BLM, US Bureau of Reclamation, USFS)	0%	49.19%	63.25%
Percent Private Conservation	0%	0%	0%
Percent Managed Areas (Beaverhead - Deerlodge National Forest, BLM, MT FWP)	0%	4.71%	27.07%
Percent Conservation Easement (TNC, FWP)	0%	4.36%	7.03%
Total in Conservation	0%	53.98%	70.52%
Not in Conservation	100%	46.02%	29.48%

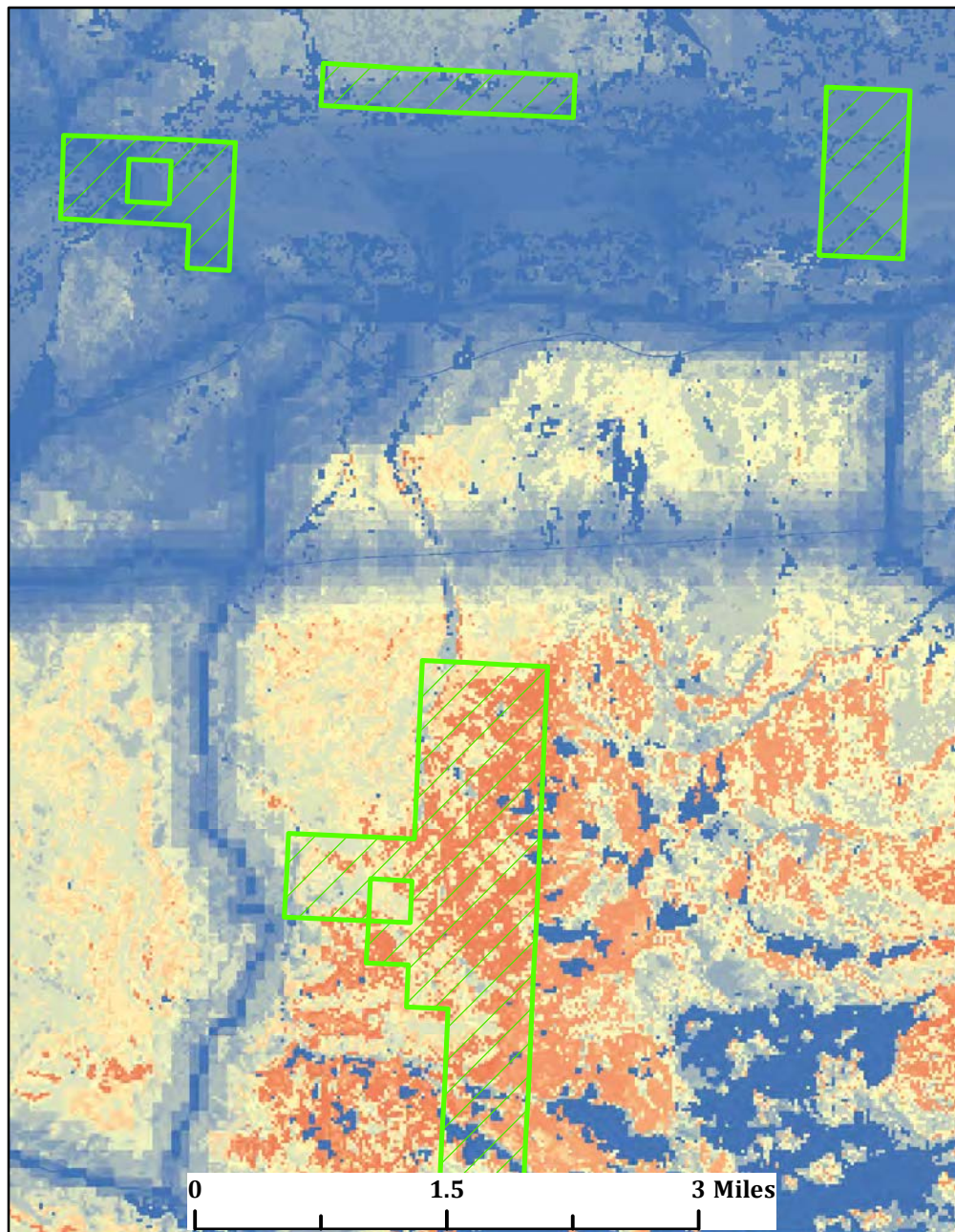
Some Managed Areas are also Public Lands.

Lek Vulnerability	Project Area	4 Mile Buffer	12 Mile Buffer
No Data	0	0	0
0 - 10%	0	4	23
10.1 - 25%	0	0	0
25.1 - 50%	0	0	1
50.1 - 75%	0	0	0
75.1 - 100%	0	0	0

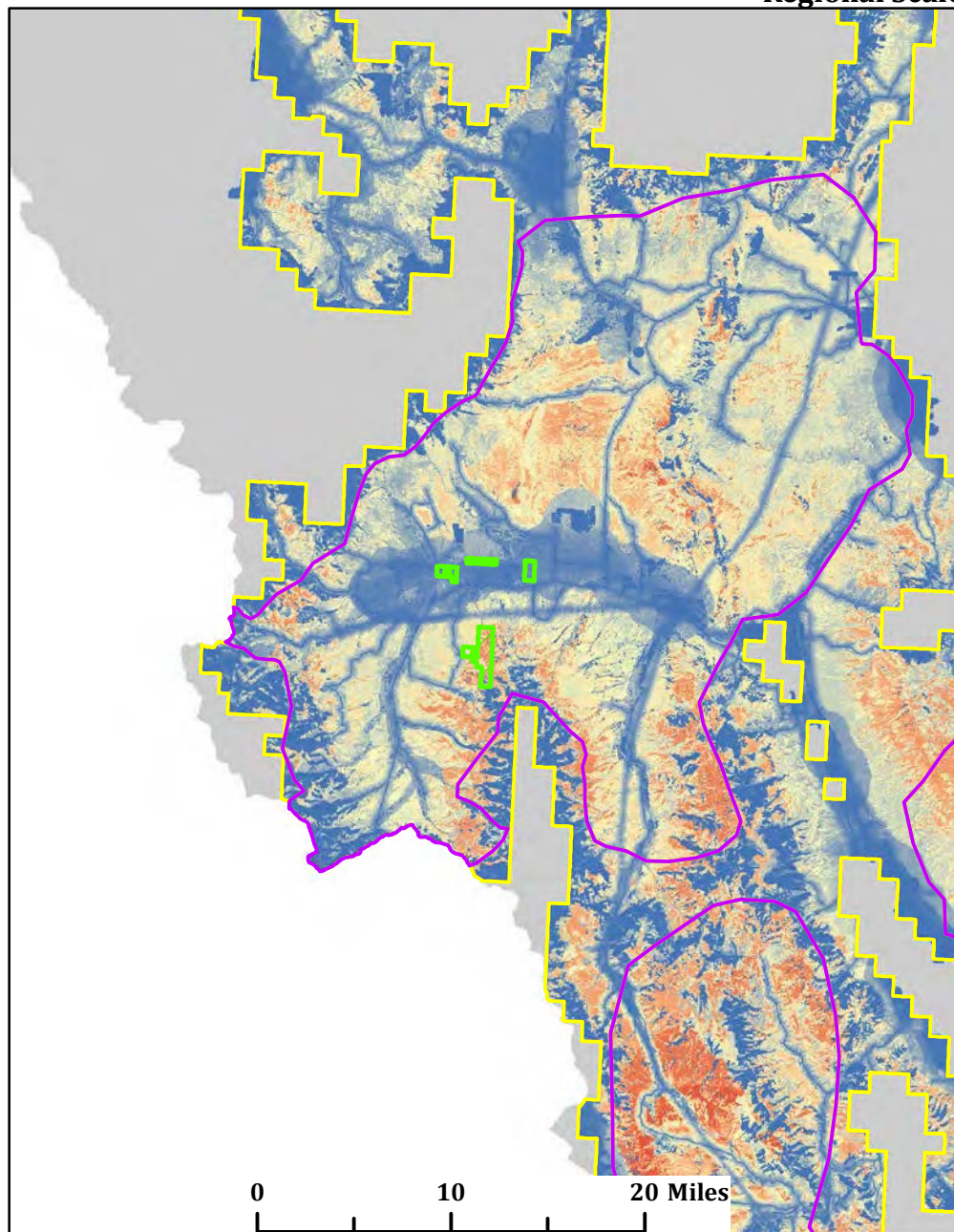
Existing Disturbance Composition (Percent Area)	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Building	0.00%	0.22%	0.10%
Crop	0.00%	1.69%	1.02%
Livestock Area	0.01%	0.04%	0.04%
Power Line	0.00%	0.05%	0.04%
Road	0.27%	0.49%	0.30%
Stock Pond	0.00%	0.001%	0.001%
Storage Yard	0.00%	0.04%	0.02%
Other	0.00%	0.43%	0.14%

HQT Results: Mussard Ranch - TNC

Local Scale



Regional Scale

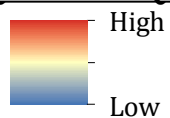


Project HQT Metadata



HQT Date: 09 Oct. 2020

Years Maintained: 100 Years

HQT Habitat Quality



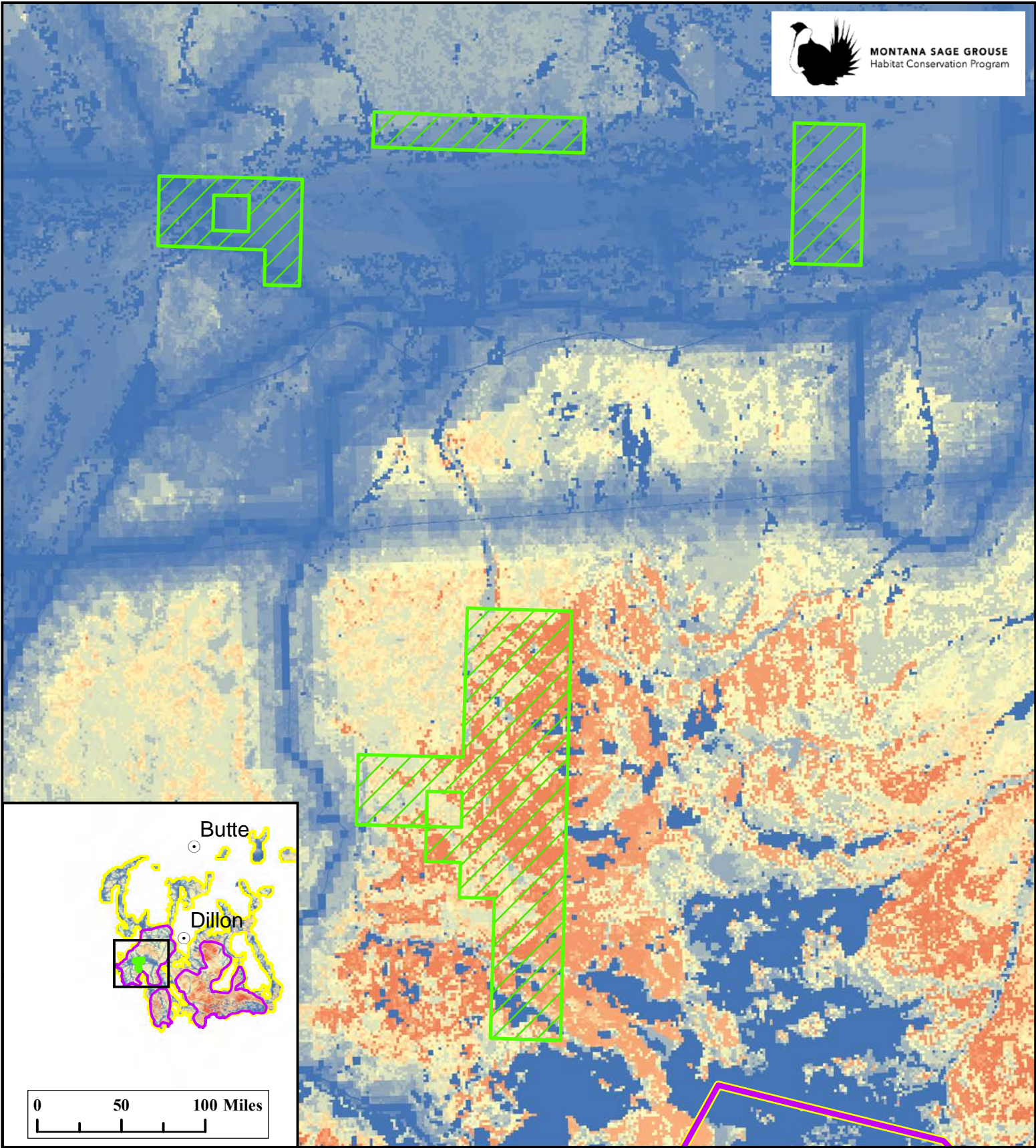
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

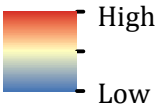
HQT Results: Mussard Ranch - TNC



Project & HQT Information

Date of HQT Results: 09 Oct. 2020
Number of Years: 100 Years

HQT Habitat Quality

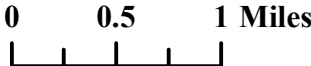


Project Direct Footprint

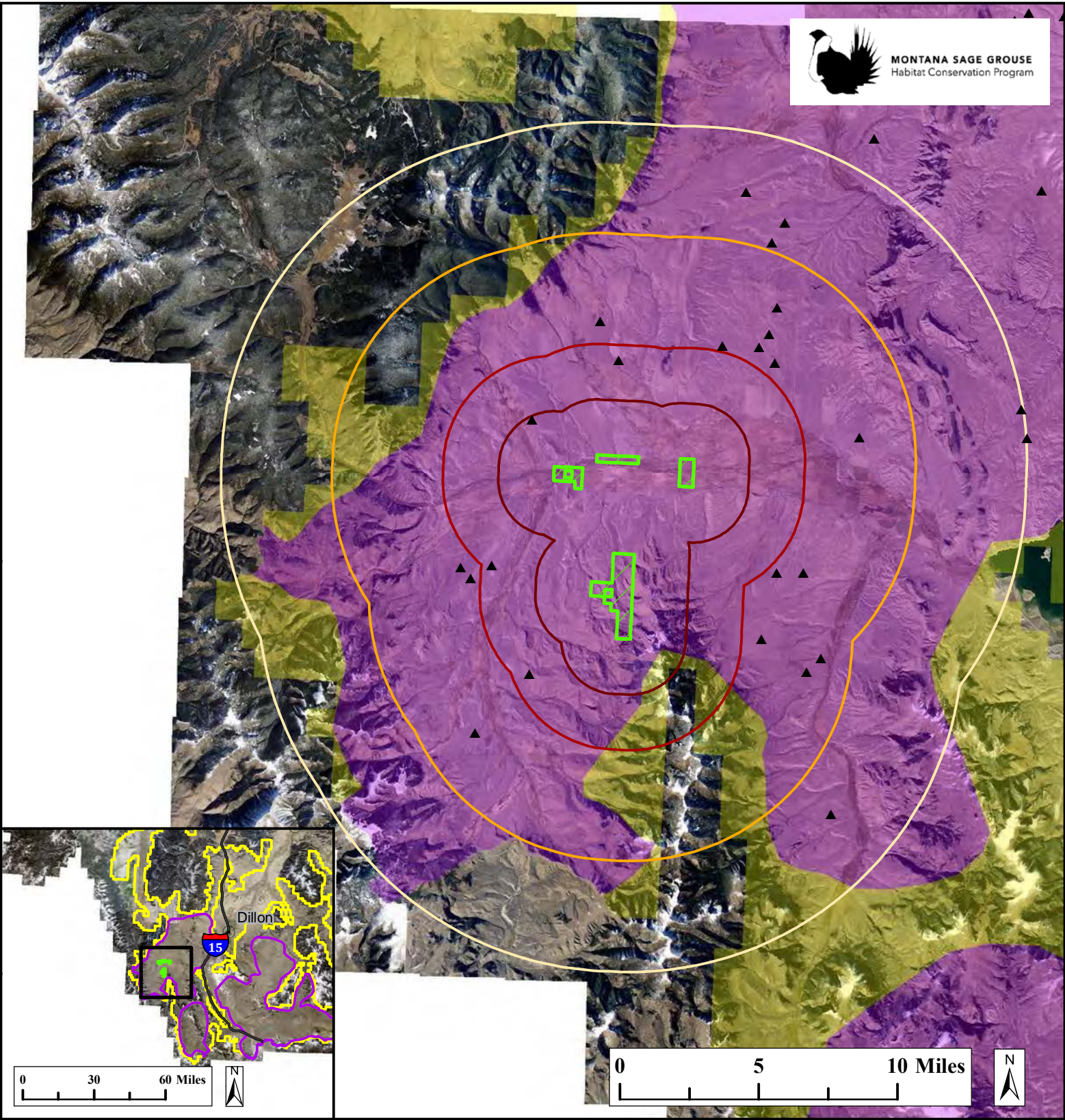
Core Area

General Habitat

Major Towns



Mussard Ranch TNC Conservation Easement - Lek Proximity



Project Information:

Map Date: 23 October 2020
PathFile: G:\CARD\10 Sage Grouse HCP\Grant Program\Third Cycle - November 2020\GIS\Mussard - TNC\maps\ProximityToSGLeks.mxd

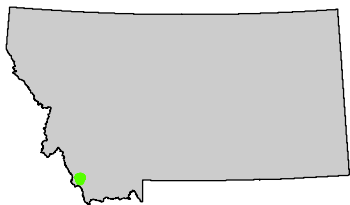
Service Layer Credits: U.S. Department of Agriculture Farm Services Agency Aerial Photography Field Office.

Mussard Ranch TNC Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program

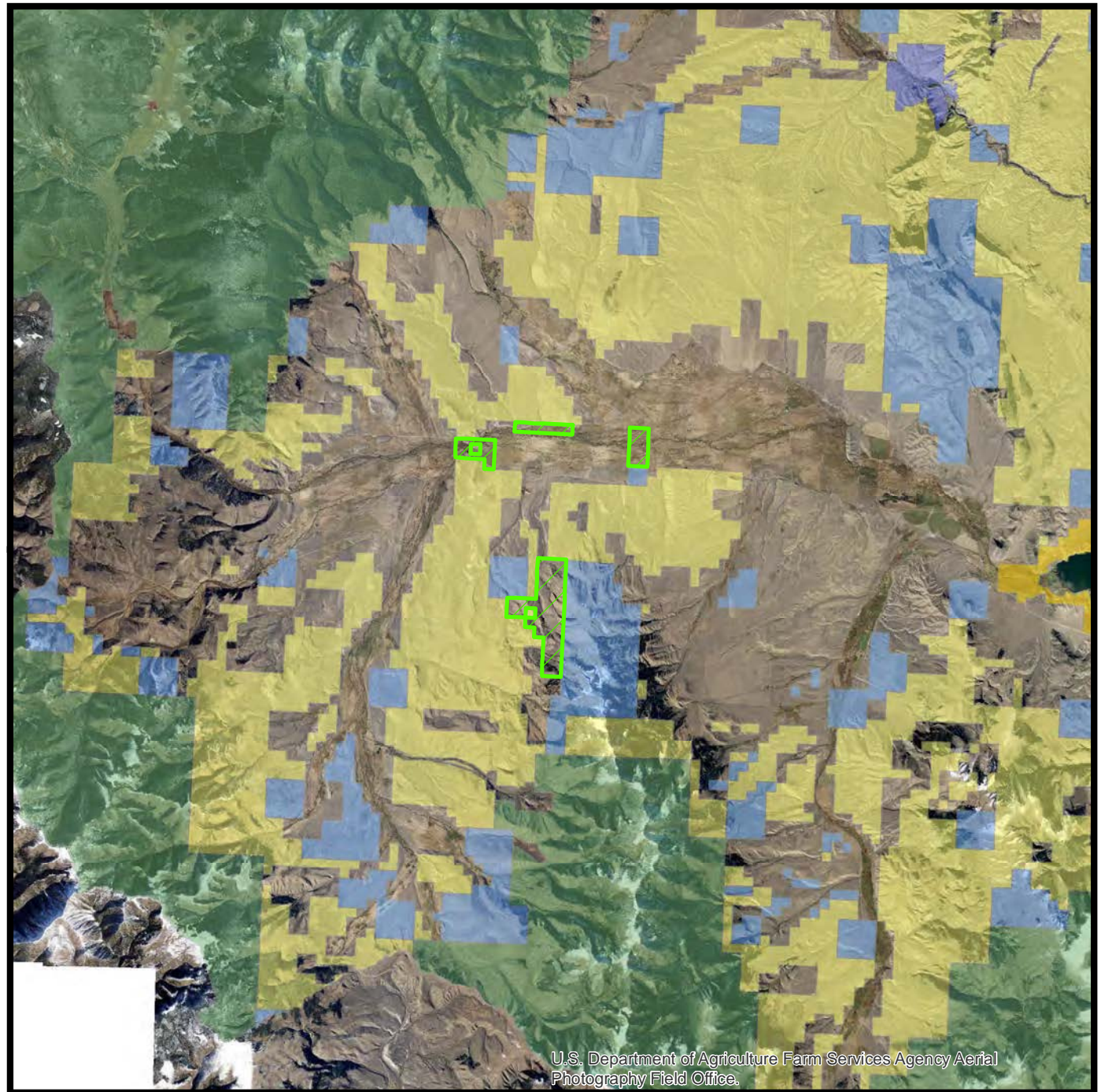
-  **Project Boundary**
-  **County Government**
-  **Montana Fish, Wildlife, and Parks**
-  **Montana State Trust Lands**
-  **US Bureau of Land Management**
-  **US Bureau of Reclamation**
-  **US Forest Service**



Project Information:

Map Date: 23 October 2020
Path File: G:\CARD\10 Sage Grouse HCP\
Grant Program\Third Cycle - November 2020\
GIS\Mussard - TNC\maps
publicLands_landscape.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.

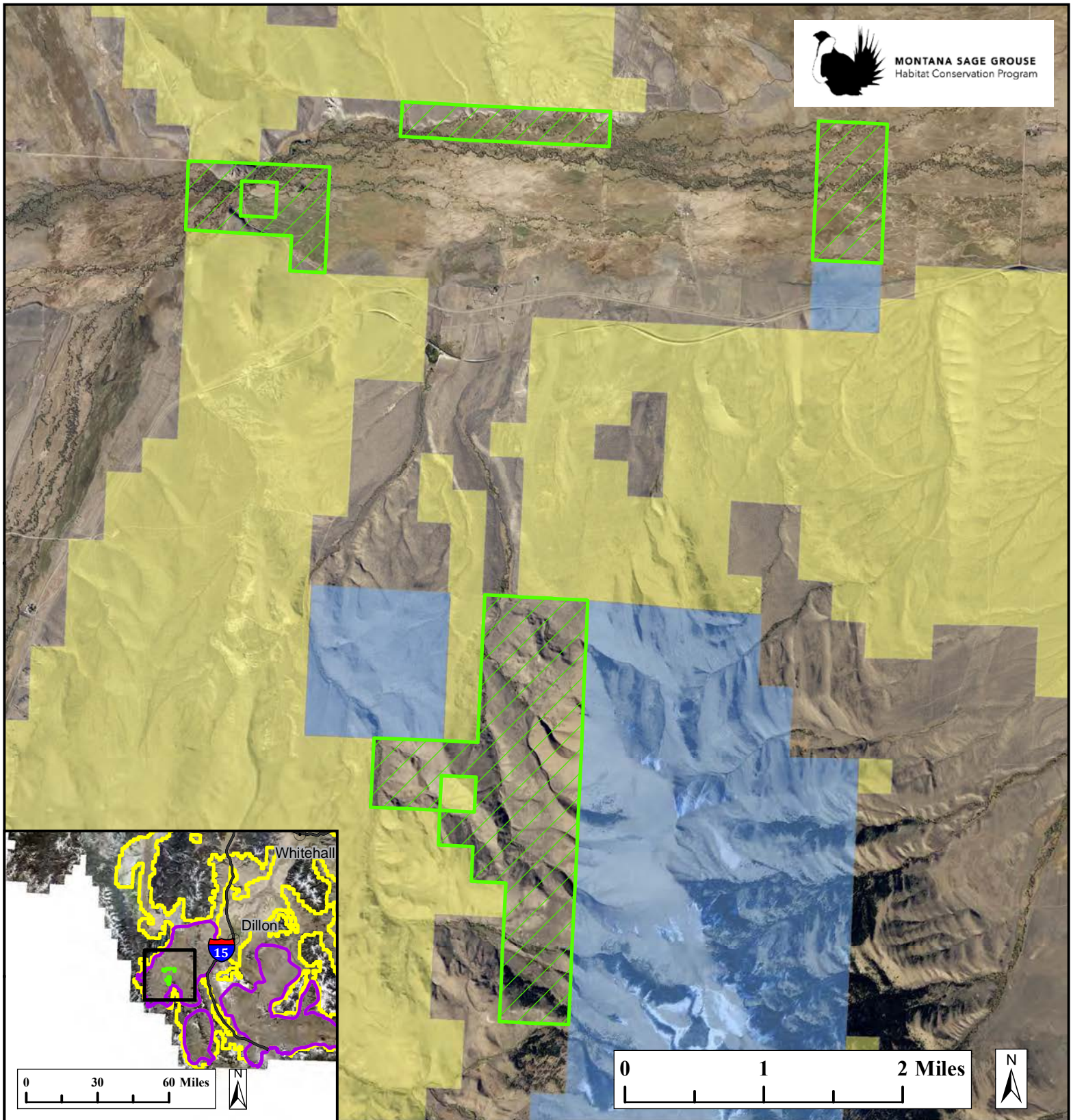
0 7.5 15 Miles

A horizontal scale bar with three segments. The first segment is labeled '0', the second '7.5', and the third '15 Miles'.

Mussard Ranch TNC Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program



Project Information:

Map Date: 23 October 2020
PathFile:G:\CARD\10 Sage Grouse HCP\Grant
Program\Third Cycle - November
2020\GIS\Mussard - TNC\maps\
PublicLandDDPs.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



Project Boundary



Core Area



General Habitat



Connectivity Area



Montana State Trust Lands



US Bureau of Land Management

Percentage Conserved Lands within 4 Miles of the Mussard-Barrett Ranch Conservation Easement (The Nature Conservancy)













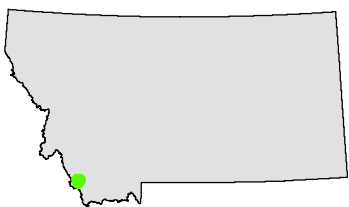
MONTANA SAGE GROUSE
Habitat Conservation Program

Project Information

-  Direct Project Footprint
-  Conserved Lands

Percent of Conserved Lands within 4 Miles of Project Area

-  0% - 10%
-  10.1% - 20%
-  20.1% - 30%
-  30.1% - 40%
-  40.1% - 50%
-  50.1% - 60%
-  60.1% - 70%
-  70.1% - 80%
-  80.1% - 90%
-  90.1% - 100%

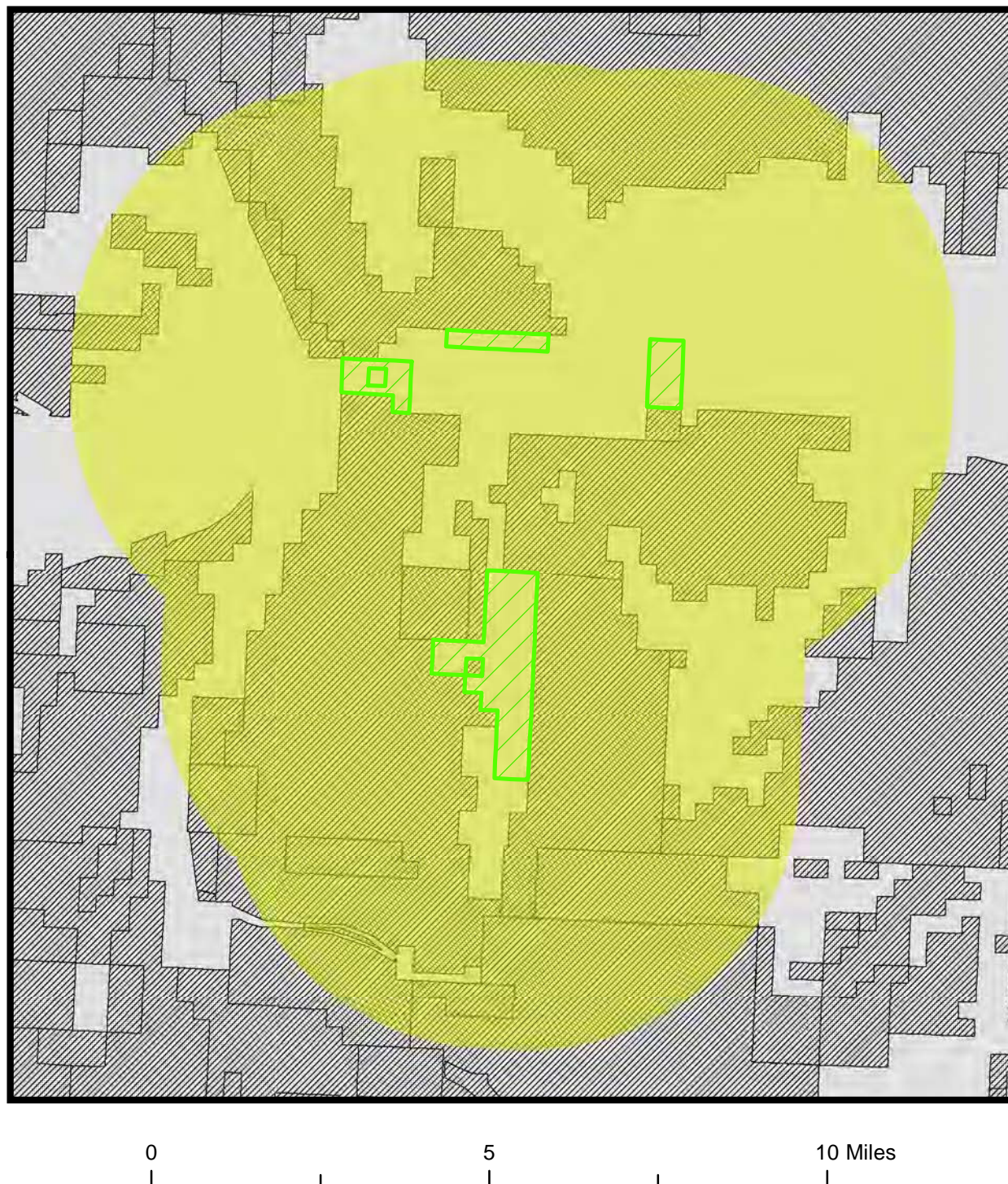


Map Information:

Map Date: 26 October 2020

File Path: G:\CARD\10 Sage Grouse HCP\Grant
Program\Third Cycle - November
2020\GIS\Mussard - TNC\maps\
4MileConservedLands.mxd

Land Management Dataset from: <http://mtnhp.org/stew.asp>





MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS COMPLETE APPLICATION

INTRODUCTION

Thank you for your interest in sage grouse conservation in Montana. Montana's goal is to conserve sage grouse and sage grouse habitats, to maintain viable populations and habitats, and maintain the flexibility to manage our own lands our wildlife, and our economy. In doing so, Montana can show that listing under the federal Endangered Species Act is not warranted in the future.

Habitat conservation is an important part of Montana's Sage Grouse Conservation Strategy. Montana recognizes the important role private landowners have played in conserving sage grouse and habitat through their land stewardship. Private landowners will continue to play an important role in conservation efforts going forward.

Montana has adopted an "all hands, all lands" approach where we work together collaboratively to address all threats. The Greater Sage Grouse Stewardship Fund is an opportunity to collaborate on sage grouse conservation.

PURPOSE OF THE GRANT PROGRAM

The purpose of the Montana Greater Sage-Grouse Stewardship Act ("Act") is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that emphasize maintaining, enhancing, restoring, expanding, and benefiting sage grouse habitat and populations on private lands, and public lands as needed, that lie within core areas, general habitat, or connectivity areas. MCA § 76-22-102(2).

The Act also requires that the majority of the grant funds be awarded to projects that generate credits that are available for compensatory mitigation. Therefore, MSGOT will prioritize grant awards to projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. The habitat quantification tool will be used to determine the final number of credits generated for any projects funded under the Grant Program.

Applications to the Grant Program do **not** constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015. Participation or receipt of Stewardship Fund Grant Program monies does not exclude or waive necessary review of any new land uses or activities subject to *Executive Order 12-2015*. Any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must also be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to that process.

Applicants are strongly encouraged to read the key documents before applying:

- The *Frequently Asked Questions, Stewardship Grants and Mitigation* document. It is found here: <https://sagegrouse.mt.gov/Grants>. It provides answers to common questions about Stewardship Account grants, mitigation, and private lands.



- The *Application and Award Process Diagram and the 2019 Deadlines* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document outlines the process and deadlines for the 2019 grants.
- The *Application Information and Guidance* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document provides a comprehensive outline of project eligibility, selection criteria, steps in the grant process from the pre-application phase to project implementation, and expectations for different project types. This document also includes the statutory requirements of the grant program located at MCA § 76-22-101 *et seq*, and the administrative rules promulgated to implement the grant program located at 14.6.101-106, ARM.
- The *Montana Mitigation System Policy Guidance Document for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. Portions of Section 1 and all of Section 2 are pertinent to mitigation credit sites. While section 3 is specifically for developers, it has information that may also provide helpful context.
- *Executive Order 12-2015*, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage-Grouse Habitat Conservation Program.
- For term lease or conservation easement projects, see the *Stewardship Account Term Lease / Conservation Easement Acknowledgment Form* at the end of the Complete Application (below).
- For restoration or enhancement projects, see the *Stewardship Account Restoration / Enhancement Acknowledgment Form* at the end of the Complete Application (below).

Applicants are also encouraged to read and become familiar with the following documents before applying:

- The *Montana Mitigation System Habitat Quantification Tool Technical Manual for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. This document explains how credits are calculated for Stewardship Account grant projects.
- *The Montana Greater Sage Grouse Habitat Conservation Advisory Council Final Recommendations*, dated January 29, 2014, and other background materials available at <http://fwp.mt.gov/fishAndWildlife/management/sageGrouse/habitatConservation/>.
- The U.S. Fish and Wildlife Service *Notice of 12 Month Petition Finding*, announcing its decision not to list the greater sage grouse rangewide under the federal Endangered Species Act (i.e. the “not warranted for listing” decision); see 80 FR 59858-59942, October 2, 2015, available at <https://www.federalregister.gov/articles/2015/10/02/2015-24292/endangered-and-threatened-wildlife-and-plants-12-month-finding-on-a-petition-to-list-greater>. Attention should be placed on portions relevant to Montana.



ADDITIONAL INFORMATION (please read before submitting an application):

How to Submit a Complete Application

All projects should be submitted on the Montana Greater Sage-Grouse Stewardship Account Grant Program Application Form in electronic format by attaching and emailing the application to sagegrouse@mt.gov. Attach additional documents and supporting information, as well. If you do not receive a confirmation email within a few days of sending the application, please send a follow up email to csime2@mt.gov.

Applications should be received via email by 11:59 p.m. on May 6, 2019. If you experience technical difficulty with the electronic submission, please contact Carolyn Sime (406-444-0554, csime2@mt.gov).

Additional Background

Grant funding is provided to implement projects that satisfy the eligibility and evaluation requirements of the Act, provide mitigation to offset development elsewhere, and which further address the primary threats to sage-grouse as identified in *Executive Order 12-2015* and by the U.S. Fish and Wildlife Service in its *12 Month Petition Finding* of “not warranted for listing” published as 80 FR 59858-59942, October 2, 2015. .

Organizations and agencies are eligible for grant funding. In addition, organizations and agencies must hold and maintain conservation easements or leases or be directly involved in sage grouse habitat mitigation and enhancement activities.

Grant recipients are required to enter into a grant agreement with MSGOT and the Program. An applicant is not a grant recipient until the grant agreement has been executed by all necessary parties. Grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act and as appropriate to the project.

Grants funds are distributed as reimbursements in most cases. This means the grantee must submit for reimbursement of expenses incurred. “Up front” funding is not allowed, unless specifically identified in a grant agreement. Similarly, reimbursement funding for activities undertaken prior to the grant agreement’s execution is not allowed.

Grant funding cannot be used to replace or supplement a grantee’s operating budget, unless the budget items directly relate to the conservation of Sage Grouse and the purpose of the grant. For example, grant funding cannot be used to obtain office space, increase a wage or salary, or for acquisition of capital goods, assets, or durable goods (trucks, GPS units, computers, software, etc.).

Depending on the project type, reports will be required. Report content and reporting interval will vary by project type and will be developed in conjunction with grantees. For example, reports for perpetual conservation easements and term leases will be required annually for purposes of monitoring compliance with the terms of the lease or easement. The content and interval for restoration or enhancement will be different.



**MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS
2019 COMPLETE APPLICATION**

Project Title: Mussard-Barrett Ranch Conservation Easement

Grant Request Amount (in \$): \$527,800

Applicant(s) Information:

Name: Jim Berkey
Title: High Divide Headwaters Director
Agency/Organization: The Nature Conservancy
Street / P.O. Box: 32 South Ewing Street
City: Helena
State and Zip: Montana 59601
Phone: 406-370-6905
E-mail: jberkey@tnc.org

Point of Contact: (name only one individual):

Name: Jim Berkey
Title: High Divide Headwaters Director
Agency/Organization: The Nature Conservancy
Street / P.O. Box: 32 South Ewing Street
City: Helena
State and Zip: Montana 59601
Phone: 406-370-6905
E-mail: jberkey@tnc.org

Proposal Prepared by: Leave blank if same as Point of Contact.

Name:
Title:
Agency/Organization:
Street/P.O. Address:
City: State: Zip:
Phone #: FAX #:
E-mail:

Request: A one-time advance payment is requested for the proposed conservation easement prior to closing; balance of expenses will be invoiced on a cost reimbursable basis.

Is this a multi-year project for which future grants will be sought? If so, explain. No

All Project Partners/Cooperators. Provide contact information for all persons, organizations, and agencies:

(A) involved in the proposed project

(B) who own lands in the project location, or



(C) who own lands for which the grant applicant is claiming project benefits.

For each identified person, organization, or agency, describe their role in the proposed project.

Identify any MOUs, agreements, or contracts associated with the project.

Landowners: (The Property is under a Contract for Deed)

BUYER:

Bryan and Marcia Mussard

Private Landowner, Easement Grantor
8815 Sweetwater Road, Dillon, MT 59725
406-925-1416/ bryanmussard@hotmail.com

SELLER:

Barrett Ranch, Inc., Kelly G. Barrett & Michael J. Barrett

Private Landowner, Easement Grantor
18580 MT Highway324, Dillon, MT 59725

Natural Resources Conservation Service

Funding Partner, Holder of Third-Party Rights in Easement (FY17 ALE funds secured Aug 2020)

Allen Persinger, NRCS Bozeman State Office, 10 East Babcock, Room 443, Bozeman, MT 59715/ 406-587-6873/ allen.persinger@usda.gov

Project Type - Preservation (easement or lease), Habitat Restoration, Habitat Enhancement, or Combination:

Preservation – Perpetual Conservation Easement

If the grant application is a Habitat Restoration or Habitat Enhancement project, is the restoration or enhancement site included within a proposed lease as a combination project in this application? Yes/No.

NA

If No, please describe the measures in place or that would be put into place to protect the site's newly-restored or newly-enhanced habitat conservation values.

Project Narrative: Describe the project and its duration. Include the problems or threats specifically identified at the project location, what actions the project will undertake, and how such actions will address the threats and satisfy the stated goals and objectives of the project. (3 pages of narrative or less)

The Nature Conservancy and the Mussard and Barrett families propose to permanently protect 2,430 acres of traditional family ranchland in the upper Horse Prairie, Beaverhead County, Montana with a perpetual conservation easement. The Mussards are in the process of



purchasing these lands from the Barretts via a Contract for Deed, and the easement is an intentional part of each party's implementation plan.

The Mussard-Barrett Easement Project is entirely within greater sage-grouse Core Area #8 (GSG Management Zone IV). The easement property consists of 4 separate parcels located in the upper Horse Prairie watershed (Figure 1). Three smaller parcels totaling ~890 acres are situated along the Horse Prairie Creek floodplain and consist largely of flood irrigated or hayed pasture and riparian shrubland with lesser amounts of sagebrush steppe along upland benches. The southern parcel consists of 1,550 acres of high-quality mountain big sagebrush steppe interspersed with wet meadows, seeps and springs, and two small perennial creeks. The property is set within a remote relatively undisturbed high elevation intermountain landscape known to be the most productive for greater sage-grouse in southwest Montana.

The property adjoins both other private ranchland and public lands managed by the Bureau of Land Management (BLM) and State Department of Natural Resources and Conservation (DNRC). Private ranchlands west, east and north of the Mussard-Barrett project that lie within Core Area 8 are already protected with conservation easements (Figure 1). The Mussard's hold grazing leases on ~15,500 BLM acres adjacent to the proposed conservation easement property.

The Mussard and Barrett Families and The Nature Conservancy respectfully seek State Sage Grouse Program funding support for this easement and ask that the State evaluate our request based on the conservation merits this project offers greater sage-grouse. Our request for \$527,800 from the State for this project amounts to 24% of the overall project cost which is \$2,202,800.

The upper Horse Prairie Valley is a relatively dry intermountain valley surrounded by mountains that define the extreme headwaters of the Missouri River. The valley is much as it was over 100 years ago – with vast expanses of sagebrush steppe broken by creeks, wet meadows, and mountains with stands of montane forest. The predominant land use for both public and private lands is seasonal livestock grazing. The intact native sagebrush steppe and associated wet meadows on this property provides excellent habitat for greater sage-grouse and other sagebrush obligate species of concern, including Brewer's sparrow, sage thrasher, ferruginous hawk, long-billed curlew, sandhill crane, and pygmy rabbit. The ranch and surrounding landscape are also strongholds for elk, moose, pronghorn and mule deer populations. Riparian wetlands on the property provide habitat for numerous migratory songbirds, including some at-risk species such as willow flycatcher, northern waterthrush, and bobolink.

Nearly the entire proposed Mussard-Barrett Ranch easement is utilized by greater sage-grouse. The ranch and surrounding landscape's combination of 1) expansive intact sagebrush grassland, 2) abundant interspersed wet meadows, and 3) higher elevation mountain big sagebrush-dominated cover make it high-quality sage grouse habitat.

As mentioned above, the Mussards are in the process of purchasing these 2,430 acres from the Barrett family via a contract for deed that has a 10-year term. Both the Mussards and the Barretts have intentionally pursued the conservation easement as a means to complete their transaction.

A USPAP compliant appraisal dated September 16, 2020 completed by Kevin Pearce of New Frontier Ranches, a licensed rural appraiser, establishes the fair market value of the proposed easement at \$2,165,000. The Conservancy has secured \$1,500,000 from the NRCS ALE



program for the purchase of this easement, which qualifies for this program's Grassland of Special Environmental Significance (GSS) ALE designation. These ALE funds were originally secured by The Conservancy in 2017 for a different conservation easement, but NRCS has approved using these funds for the Mussard Barrett Easement. The grant agreement securing these funds for the Mussard Barrett Easement requires that the easement close no later than August 31, 2021.

The easement would expressly allow the property to continue to support seasonal grazing, haying, irrigation and recreation and associated practices (fences, stock water, irrigation ditches, etc). This project will help maintain, sage grouse habitat populations for the heritage of Montana and its people through a voluntary incentive-based effort.

If funding is secured for this easement, The Conservancy and the Mussards intend to close this easement in February 2021.

Management Relevance/Conservation Benefit: Describe the benefits to be achieved if the project is implemented. (200-word narrative or less)

Sage Grouse Core Area #8 is one of the three Core Areas located in southwest Montana and is centered on the high elevation sagebrush steppe of the Horse Prairie Valley. Telemetry data from both BLM and Idaho Fish and Game establish strong connections between Montana's Horse Prairie sage grouse populations and sage grouse populations to the west (Lemhi Valley) in Idaho. Sage Grouse Core Areas designated by Idaho's Sage Grouse Task Force are located within 8 miles of the Mussard- Barrett Ranch to the south and west in Idaho. There are 24 known sage grouse leks in Montana within 12 miles of the Mussard-Barrett Ranch, 19 of these are within 8 miles. The closest lek is within 2 miles of the project to the northwest near Coyote Creek on BLM lands.

Existing Conservation easements on nearby ranches, including the Peter's Draggin Y Ranch, the McCoy Ranch, and the Hansen Livestock Co. Ranch secure much of the nearby sage grouse habitat on private lands. Together with interspersed public lands, this portion of the Core Area #8 will remain viable sage grouse habitat thanks to the good stewardship and conservation efforts of these land managers. The proposed Mussard Barrett easement would contribute significantly to sage grouse habitat security in this portion of Core Area #8.

Problem / Threat Analysis: Describe the sage grouse problems/threats being addressed by the project and why the project is necessary. (Approximately 100 words)

The rural and undeveloped nature of the Horse Prairie is currently under threat. Already, large working ranches in the area have been subdivided and developed, fragmenting critical habitat. The pace and scale of this threat has dramatically increased just in the past 6 months. We must respond to opportunities such as the Mussard-Barrett Ranch and make strategic investments to protect critical habitats while they remain intact. This intermountain Core Area remains largely intact but at high risk of subdivision from recreational development.

The proposed conservation easement will address the primary threats to greater sage-grouse habitat identified in southwest Montana: habitat loss and fragmentation due to exurban development, sagebrush control, and improper livestock management. The easement would prohibit subdivision and development of the property and ensure that wet meadows and upland



sagebrush grasslands remain open and viable for greater sage-grouse habitat. Easement terms would include provisions prohibiting tilling of native sagebrush grassland vegetation and other significant ground disturbances/ alterations, that would impair conservation values and broad-scale disturbance of native vegetation on the Property.

Project Location:

UTM Coordinates (Easting, Northing, Zone, Datum): 327450.10 m E, 4981813.64 m N, 12T UTM

PLSS Description (County Township Range Section/s):

TRACT 1:

TOWNSHIP 9 SOUTH, RANGE 13 WEST, M.P.M.

Section 32: N $\frac{1}{2}$ Excepting therefrom the SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, and the NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$

TOWNSHIP 10 SOUTH, RANGE 13 WEST, M.P.M.

Section 15: Lots 1, 2, 3, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Section 21: NE $\frac{1}{4}$

Section 22: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$

TRACT 2:

TOWNSHIP 9 SOUTH, RANGE 13 WEST, M.P.M.

Section 36: NE $\frac{1}{4}$

TOWNSHIP 10 SOUTH, RANGE 13 WEST, M.P.M.

Section 27: E $\frac{1}{2}$

TRACT 3:

TOWNSHIP 9 SOUTH, RANGE 13 WEST, M.P.M.

Section 25: SE $\frac{1}{4}$

Section 27: N $\frac{1}{2}$ S $\frac{1}{2}$

Section 28: N $\frac{1}{2}$ SE $\frac{1}{4}$

TRACT 4:

TOWNSHIP 9 SOUTH, RANGE 13 WEST, M.P.M.

Section 32: NE $\frac{1}{4}$ SE $\frac{1}{4}$

Project Location map(s): Please submit maps as attachments to this document. Be sure to include titles, labels and descriptive references.

Maps attached as final pages of this Application

County name/s: List all counties where the project will occur.

Beaverhead County

Size of Project Area:

Total acres within project boundary, or directly affected by project: **2,430 acres**

Total acres indirectly affected by project (explain): NA

Are there any existing surface use agreements: Yes/No **Yes**



If there are existing surface use agreements, please describe the nature of the agreements, their duration, and expiration date. Does the lease contain an option to renew?

As described above, the Mussards are in the process of acquiring this property from the Barretts via contract for deed which has a 10-year term that commenced on June 18, 2018. This contract provides the Mussards "rights of possession" to manage the property as owners, including grazing rights during its term. The contract does not have an option to renew and Expires April 1, 2028.

If the participating private landowners do not own the mineral rights, are the mineral right owners known? Yes/No. No. Mineral ownership is unknown.

NA

Are there any existing mineral leases? Yes/No Not to our knowledge.

If there are existing mineral leases, please describe the nature of the leases, their duration, and expiration date. Does the lease contain an option to renew?

NA

Has a mineral remoteness review test been completed? Yes/No. If yes, please describe the conclusions. If no, is one is expected to be completed and if so, when would results be known?

YES. A minerals remoteness report was completed on the subject property by Rob Thomas from UM Western on July 8, 2020. This report states that "the chance of discovering coal, oil, natural gas, metallic minerals, non-metallic minerals or economic sand and gravel deposits at the *Mussard-Barrett Ranch Property, Beaverhead County, Montana* is so remote as to be negligible."

Is any portion of the Project Area enrolled in NRCS Farm Bill Programs? Yes/No No
If yes, please describe. For example, which NRCS program and when does the project expire? Provide the Township / Range / Section of the enrolled lands.

NA

If there are State Trust Land parcels and /or BLM parcels within the boundary of the proposed project, do the participating landowners hold the appropriate state or federal lease, grazing or farming authorizations? Yes/No. NO
If yes, please provide some background information about the authorization and its expiration date. If no, please provide some additional background.

NA.

Surface Land Ownership:

(check all that apply) Federal _____ State _____ Private ☒X_____

If project will affect a mosaic of land ownerships (e.g., mix of federal, state and/or private lands), provide a breakdown for each specific owner type by acres and percent of total project area.



	Federal	State	Private	Total
Directly Affected				
Acres			2,430	2,430
Percent of Total			100%,	
Indirectly Affected				
Acres				
Percent of Total				

Project Activity Description: (check all that apply)

☐ **Reduction of Conifer Encroachment**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

☐ **Reduction of Invasive Weeds**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

☐ **Maintenance/Restoration/ Improvement of Sagebrush Health or Quality**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

☒ **Purchase/Acquisition of a Term Lease or Conservation Easement**



	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres			2,430	2,430
Percent of Total			100%	100%
Connectivity Area				
Acres				
Percent of Total				

_____ **Incentives to Reduce Conversion of Grazing Land to Cropland**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ **Restoration of Cropland to Grazing Lands**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ **Demarcation of Fences**

	Federal	State	Private	Total
Core Area				
Miles				
Percent of Total				
General Habitat				
Miles				
Percent of Total				
Connectivity Area				
Miles				
Percent of Total				

_____ **Reduction of Unnatural Perching Platforms for Raptors**



	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Reduction of Unnatural Safe Havens for Predators**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Other: Briefly Explain**

	Federal	State	Private	Total
Core Area				
Number of Acres or Structures				
Percent of Total				
General Habitat				
Number of Acres or Structures				
Percent of Total				
Connectivity Area				
Number of Acres or Structures				
Percent of Total				



____ **Modification of Fire Management to Conserve Sage Grouse Habitat or Populations**
(Briefly explain)

Vegetation Management: If the project involves any vegetation management, manipulation, or treatment (i.e. conifer reduction, grazing land management, sagebrush management or restoration wildfire management) complete the following. (Check all that apply.)

NA

Mechanical Treatment _____ Chemical Treatment _____ Prescribed Fire _____
Restoration _____ Reseeding/Planting _____ Deferred Grazing _____
Invasive/Noxious Plant Removal _____ Other(s) (explain) _____

Identify the post-treatment management strategies to be implemented (e.g. livestock grazing plans, weed control, infrastructure maintenance, etc.). (500-word narrative or less. Attach additional information if necessary.)

NA

Local Impacts: Describe any impacts or benefits to the local communities, including socioeconomic impacts or benefits. (200-word narrative or less. Attach additional information if necessary.)

Brief description of the socioeconomic impacts of the project on the local community,

Bryan and Marcia Mussard are in the process of acquiring these 2,430 acres of Barrett Family Ranchland to own summer grazing land, thereby creating a more sustainable family ranch operation. Both the Barretts and the Mussards are interested in selling a conservation easement to enable this transaction. The Mussard family are leaders in innovative business approaches to rural livelihoods and wish to pilot and model efforts that may help keep local working families profitable while ensuring good wildlife habitat stewardship. The Barretts want to pass on a portion of their long-time ranch to the Mussards to carry on their ranching tradition. The easement would therefore represent a seminal positive socioeconomic step for these families and for demonstrating that easements can be an effective tool in helping maintain the traditional ranching lifestyle/ heritage in Beaverhead County- which has sustained native wildlife habitats, including greater sage grouse habitat, for generations.

Other Benefits: List and describe any other benefits that will be achieved from the project. (e.g. educational, economic, research, public access, other environmental or conservation services, etc.)

This Upper Horse Prairie remains a relatively wild, unfragmented landscape of working ranches interspersed with public lands. It is high intermountain valleys like this that provide vital habitat connecting the Greater Yellowstone Ecosystem to the Crown of the Continent and the Salmon Selway of central Idaho for wide-ranging species such as grizzly bear and wolverine and a myriad of plant and animal species undergoing range shifts due to climate change. These high valleys also provide ample cold and clean waters to the headwaters of the Missouri, that will



help wildlife and human communities downstream be more resilient to drought. The perennial streams on the ranch support genetically pure westslope cutthroat trout.

Expected duration of effects from proposed project: Check the appropriate box.

_____ 1-15 years; _____ 15-20 years; _____ 20-25 years; _____ 25-30 years; _____; _____ 30-35 years; _____ 35-40 years; _____ 40-45 years; _____ 45-50 years; X in perpetuity.

If the expected duration is in perpetuity, please explain how the applicant and project participants will legally and physically ensure perpetual protection of the proposed habitat project and its benefits.

The Nature Conservancy has a long history of conservation easement stewardship in Montana, having secured the first easement in the state in 1976. Currently, the Conservancy manages ~180 conservation easements that cover nearly 430,000 acres in Montana. The Conservancy meets all the best practices for conservation easement stewardship and enforcement and has been accredited by the Land Trust Alliance. Among practices employed are maintenance of a permanent endowment that pays for annual monitoring costs, annual on-site monitoring, annual or more frequent engagement with landowners, and yearly report generation of property use and condition compared with consistent and inconsistent uses of the easement.

If the expected duration is a term of years, please explain how the applicant and project participants will ensure protection of the proposed habitat project and its benefits.

NA

Total Montana Greater Sage Grouse Stewardship Account Funding Request:

Cash \$ 527,800.00

Percentage of Total Project Cost 24 %

Narrative Details for Funds: list all sources of funds or in-kind contributions, the amount, whether such funds are in-hand or committed, and any limitations on the use of such funds.

Source	Amount	In-kind Cash?	or	In-hand Committed?	or	Any Limitations?
TNC	\$10,000	cash		In hand		
NRCS ALE FY27	\$1,500,000	cash		committed		
Landowner Donation	\$165,000	In-kind		pledged		

Narrative explanation of whether matching funds are in-hand, committed, or have been applied for through other granting opportunities. If not in-hand at the time the application is submitted, please address timeline for when decisions regarding the other granting opportunities will be made and communicated to applicants.



The Conservancy has secured \$1,500,000 from the NRCS ALE program for the purchase of this easement, which qualifies for this program's Grassland of Special Environmental Significance (GSS) ALE designation. These ALE funds were originally secured by The Conservancy in 2017 for a different conservation easement, but NRCS has approved using these funds for the Mussard Barrett Easement acquisition. The grant agreement obligating these funds for the Mussard Barrett Easement requires that the easement close no later than August 31, 2021.

For in-kind contributions, explain basis and method for valuation:

In-kind contribution from landowner of \$165,000 would result from their acceptance of a below-market value payment for the conservation easement. The final easement appraisal and amount of cash TNC raises for the easement purchase will dictate the exact amount of this in-kind contribution.

For cash match that is committed but not yet in-hand, explain the circumstances of the commitment, the date committed, and if cash, when the cash will become available:

If including any project monitoring or stewardship costs, please explain how the budget item listed in the tables below directly relate to the purposes of the grant. [Grants may not be used to supplement or replace the operating budget of an agency or organization except for budget items that directly relate to the purposes of the grant. § 76-22-110(4), MCA.]

Restoration or Enhancement Project Costs / Budget (Complete the table below if the application is for restoration or enhancement projects; if restoration or enhancement areas would also be included in a lease or conservation easement, separate out project costs / budget accordingly by completing both this table and the one below.)

Item	Matching Cash Contribution	Matching In-Kind Contribution	Stewardship Account Request	Total
Project Planning and Design				
Contractor Costs				
Permitting				
Other				
Project Implementation				
Contractor Costs				
Supplies/Materials				
Equipment Costs				
Salaries/Labor				
Other				



Project Monitoring				
Operation and Maintenance				
Total Cost Estimate				



Term Lease or Conservation Easement Project Costs / Budget (Complete the table below if the application is for a term lease or conservation easement; if a term lease or conservation easement project would also include restoration or enhancement activities, separate out project costs / budget accordingly by completing both this table and the one above.)

Item	Cash Contribution	Matching In-Kind Contribution	Requested Contribution	Total
a. Project Planning and Design				
Engineering Applicant				
Contractor				
Landowner				
Baseline Inventory Report (Environmental Documentation Report) Applicant				
Contractor			6,000	6,000
Environmental Hazards Assessment			1,000	1,000
Survey				
Mineral Report Applicant				
Contractor			500	500
Appraisal			20,000	20,000
Title Commitment				
Title Insurance				
Mortgage Subordination				
Resolution of Legal Access				
Land Trust Transaction Fee				
Appraisal				
Closing and Recording Fees			300	300
Other Expenses				
Sub-Total			27,800	27,800
b. Project Implementation				
Manpower Applicant				
Contractor				
Landowner				
Equipment Applicant				
Contractor				
Landowner				

Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Perpetual Easement Stewardship Fee / Endowment	10,000			10,000
Total Easement Value	1,500,000	165,000	500,000	2,165,000
Other				
Sub-Total	1,510,000	165,000	500,000	2,175,000
c. Project Operation/Maintenance				
Manpower				
Applicant				
Contractor				
Landowner				
Equipment				
Applicant				
Contractor				
Landowner				
Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Monitoring Stewardship				
Other				
Sub-Total				
d. GRAND TOTAL	1,510,000	165,000	527,800	2,202,800

If a Conservation Easement, Summary of Acquisition Budget:

Appraised Value of Conservation Easement: \$2,165,000
Landowner Donation: \$ 165,000
Other Donation: _____
Purchase Price: \$2,000,000

Source of Easement Funds: (list all sources)

Stewardship Account: \$500,000
Other: NRCS: \$1,500,000
Other: _____
Other: _____



Project Readiness / Implementation Schedule: List time line including month and year when project is expected to be initiated and completed.

Month/Year overall project begins: February 2019

Month/Year overall project ends: estimated: February 2021

Month/Year Stewardship Account Grant funding would begin: estimated: February 2021

Month/Year Stewardship Account Grant funding would end: estimated: February 2021

Likelihood of Implementation: Have all necessary permits/approvals been obtained? Projects judged unlikely to be implemented may be given lower priority.

PERMIT OR AUTHORIZATION	REQUIRED		SUBMITTED		APPROVED	
	Yes	No	Yes, Date	No, date expected	Yes, Date	No, date expected
Cultural Resource Inventory		x				
COE Section 404 Permit		x				
Cooperative Agreement(s)		x				
*NEPA Analysis		x				
Pesticide Application Permit		x				
Private Landowner Agreement(s)		x				
Sensitive Species Clearance		x				
Surface/Ground Water Permits		x				
T/E Species Clearance		x				
Others (explain)						
County Planning Authority CE Review **	x			December 2020		Jan 2021

**Montana Code Annotated 76-6-206 requires that any conservation easement be provided to local planning authorities, which have up to 90 days to review and comment on a conservation easement.

***If NEPA is Required:** What is the type of NEPA analysis required: Environmental Impact Statement (EIS); Environmental Assessment (EA); Categorical Exclusion (CE); Biological Assessment/biological Evaluation (BA/BE); etc.? What federal agency will conduct the analysis and who is the primary agency contact? What is the estimated submittal and approval dates?



Project Timeline and Estimated Completion Date. (Explain, 200 words or less)

We anticipate that the Mussard Barrett Ranches Easement project will have all basic due diligence steps completed by no later than December 2020. The **Appraisal** and **Mineral Remoteness Report** are already complete. The **conservation easement** is in final draft stage and available to the State at this time. The field work for both **Baseline Report** and **Environmental Assessment** were conducted in June 2020 and drafts of both reports will be available by December 2020. Near final easement terms were submitted for **Beaverhead County Planning Authority review** in September 2020. The Landowner and TNC will enter into a **purchase and sale agreement** likely in mid-December 2020 to formalize purchase price, conditions to close, and closing date.

Project Monitoring Plan: All projects require monitoring to determine effectiveness relative to the statutory purposes of the Act to conserve sage grouse habitat and populations. Identify what monitoring program and protocols are in place or will be put in place to assess and quantify the results achieved by the project. Identify those responsible for monitoring. Include both short-term and long-term monitoring. A Project Close-out Report may be required for each project upon completion, to allow tracking of expenditures and attainment of results. Photos, summaries, etc. may be required. If a monitoring plan has not yet been developed, the Sage Grouse Habitat Conservation Program will work collaboratively with successful applicants to develop a plan. (Approximately 2 pages of narrative or less. Attach additional documentation if needed.)

Given that this is a conservation easement, and the action is a one-time event, monitoring will be different than a typical habitat restoration project. For the conservation easement, the Conservancy will provide the state a recorded copy of the conservation easement, baseline report, and associated documents. The Conservancy would conduct annual compliance monitoring of the conservation easement in perpetuity and will provide the State with copies of annual monitoring reports as requested.

Attachments and Supporting Documentation. (Required documentation and supporting materials will vary by project type but check all that are available at the time of submitting a complete application. The Program may contact grant applicants for additional clarification.)

- ☒ Project Design / Maps
- ☐ Final Spatial Data
- ☒ Letters of Support
- ☐ Site Management or Stewardship Plan
- ☐ Grazing Plan, if applicable
- ☐ Restoration Plan, if applicable
- ☐ Enhancement Plan, if applicable
- ☒ Draft Term Lease or Conservation Easement with terms, if applicable
- ☒ Mineral Remoteness Review Report for perpetual conservation easements
- ☒ Market Appraisal for perpetual conservation easements
- ☐ Site Monitoring Plan



___NA___ *Stewardship Account Term Lease / Conservation Easement Acknowledgement* (see below; include as many signatory pages as there are project participants)

___ *Stewardship Account Restoration or Enhancement Project Acknowledgement* (see below; include as many signatory pages as there are project participants)

___ Budget (**Already within the grant**)

___NA___ MOUs and other Agreements

___ Other (list): _____

For those attachments and supporting documentation that are not available at the time of submitting a complete application, indicate when they will become available:

Additional Information for Consideration.



GENERAL ACKNOWLEDGEMENT, ALL PROJECTS

Please initial each verification or acknowledgment and sign below.

- x All Applicants verify that they have read the *Application Information and Guidance* document before filling out this application.
- x All Applicants verify that they have read Executive Order 12-2015, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage Grouse Habitat Conservation Program.
- x All Applicants acknowledge that grant recipients are required to enter into a grant agreement with MSGOT and the Program, and that an applicant is not a grant recipient until a grant agreement has been executed by all necessary parties. Such grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act.
- x All Applicants acknowledge that MSGOT will prioritize grant awards for projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. Such assurances may be included in the grant agreement but will be included in other project documents.
- x All Applicants acknowledge that applications to the Grant Program do not constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015, and any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must still be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to its procedures or process.
- x (If this Application seeks grant funding for a conservation easement or a term lease) All applicants verify that all parties to the term lease or conservation easement have read and signed the attached the *Stewardship Account Term Lease / Conservation Easement Acknowledgement Form*. Include as many copies as there are project participants.
- x (If this Application seeks grant funding for a restoration or enhancement project) All applicants verify that all parties to the project have read and signed the attached the *Stewardship Account Restoration or Enhancement Project Acknowledgement Form*. Include as many copies as there are project participants.

Signature: *James Berkey*

Printed Name: James Berkey

Title: High Divide Headwaters Director

Date: 10/19/20



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

All parties to the proposed term lease or conservation easement must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor, and every land trust or holder of the conservation easement. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any lease or conservation easement selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the applicable lease or conservation easement agrees through the grant agreement and the lease or easement document to establish the State of Montana as a third-party beneficiary to the lease or easement with a contingent right to enforce the terms of the lease or easement if the grantee fails to do so.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree through the terms of the lease or conservation easement that the lease or conservation easement may not be transferred for value, sold, or extinguished without consent of the State of Montana or its agents.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree that the lease or conservation easement will recognize the State of Montana or its agent's right to take legal action to enforce the terms of the lease or easement or to recover from the proceeds of the transfer for value, sale, or extinguishment the state's pro rata share of the proceeds based on the funds the state provided pursuant to this part for the creation of the lease or easement.

The signatories further acknowledge that MSGOT will retroactively calculate, own, and make available credits for leases and conservation easements purchased with grant funds using the most current version of the Habitat Quantification Tool and the Policy Guidance documents and applicable state laws.

The signatories further acknowledge that monitoring reports will be required. The content and reporting interval will be developed collaboratively between the grant recipient and the Montana Sage Grouse Habitat Conservation Program. Reporting requirements will be tailored the project.

The signatories further acknowledge that grant recipients and the Montana Sage Grouse Habitat Conservation Program will collaboratively develop and agree upon the schedule or frequency of payments from the Stewardship Account. The schedule will be included in the grant agreement.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program or its agents can inspect the lands and verify the credits created from lands included within the term lease or conservation. At all times, the state will seek to make arrangements well ahead of time, provide reasonable prior notice, and will not interfere with the landowner's use and enjoyment of the land.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program will work with the grant recipient and participating landowners to develop a credit site mitigation plan. The plan will describe the credit estimation, verification, and



monitoring processes. In most cases, existing stewardship plans, grazing plans, or similar will suffice and the mitigation plan will recognize them, while setting out the credit details of the site.

The signatories further acknowledge that term leases should be filed in the county of record, similar to perpetual conservation easements.

The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the lease or conservation easement and otherwise allow the State of Montana or its agents to protect its interests as third-party beneficiaries to the lease or conservation easement.

Signature:

Printed Name:

James Berkey
James Berkey

Title:

Role in the Project

(owner, land trust, etc.):

High Divide Headwaters Director

The Nature Conservancy

Date:

10/19/20



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

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Signature: Mike Barrett
Printed Name: MIKE BARRETT : KELLY BARRETT

Title: landowner
Role in the Project
(owner, land trust, etc.): Owner
Date: 10.19.2020

Signature: by Mike Barrett
Printed Name: MIKE BARRETT

Title: Barrett Ranch Inc
Role in the Project
(owner, land trust, etc.): Owner
Date: 10.19.2020



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

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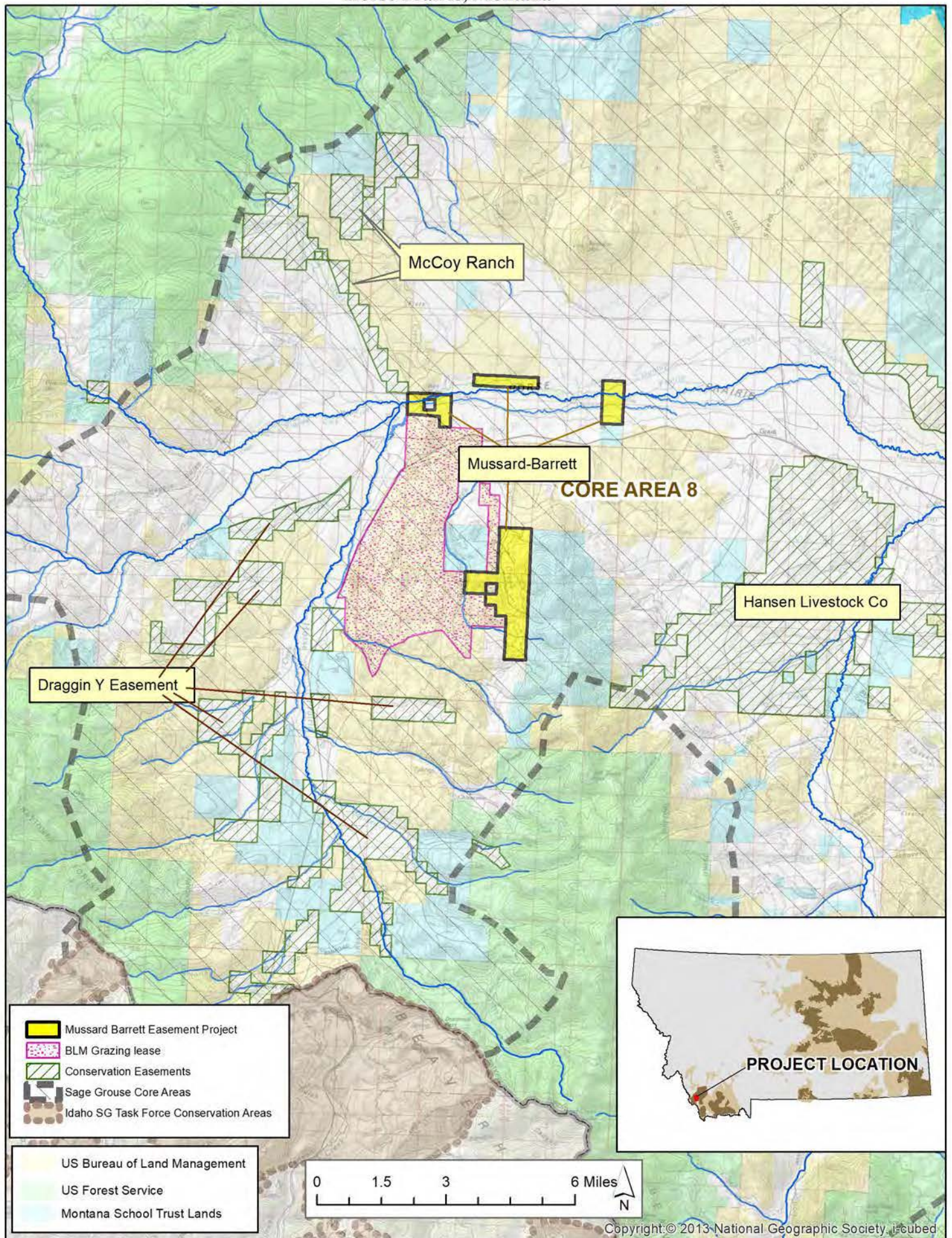
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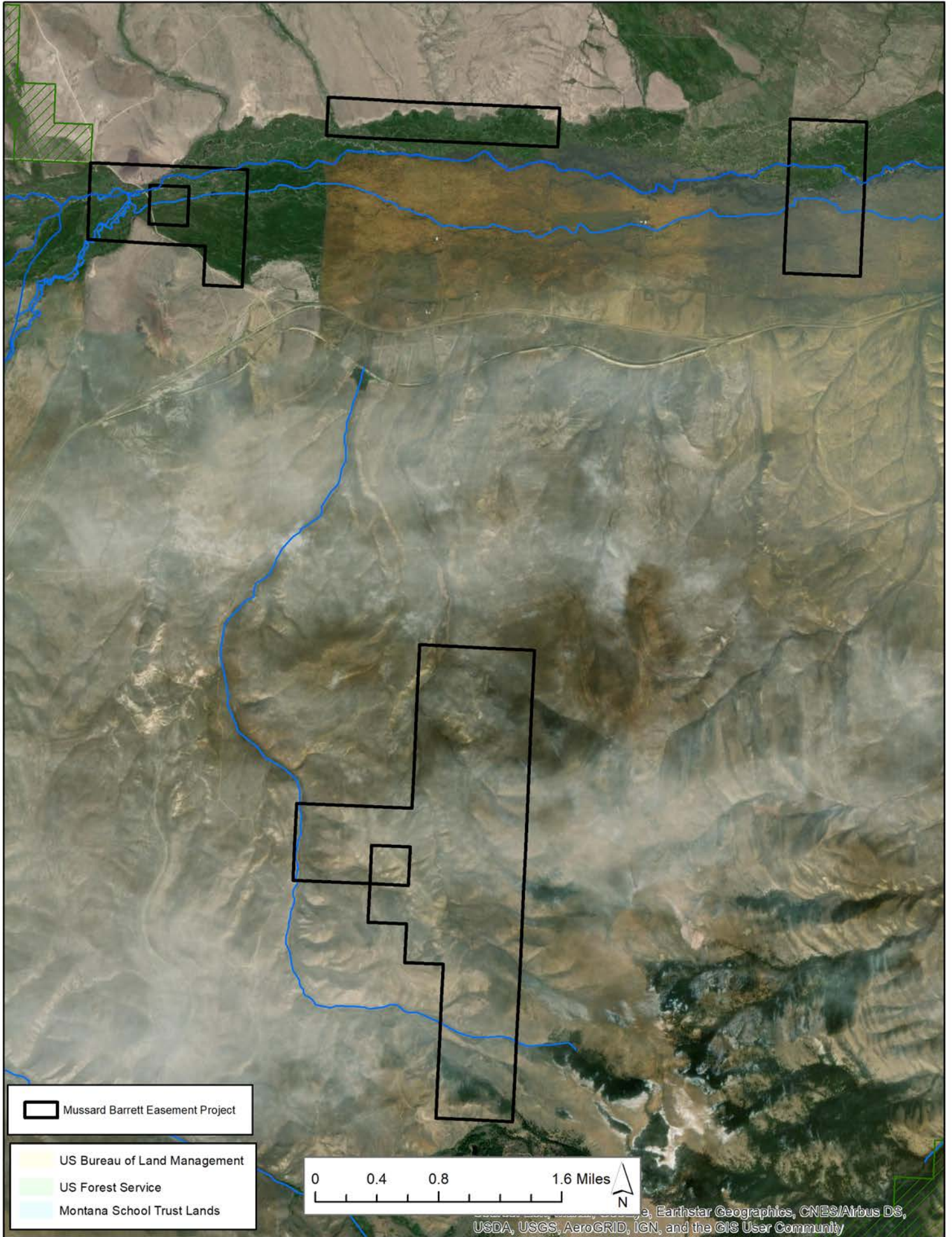
Signature: 
Printed Name: Bryan Mussard
Title: co-tenant, landowner
Role in the Project
(owner, land trust, etc.): Owner
Date: 10-19-2020

Signature: 
Printed Name: Marcia Mussard
Title: co-tenant, landowner
Role in the Project
(owner, land trust, etc.): Owner
Date: 10-19-20

Mussard Barrett Conservation Easement Horse Prairie, Montana



Mussard Barrett Conservation Easement Horse Prairie, Montana





Montana Fish, Wildlife & Parks

730^{1/2} North Montana Street
Dillon, MT 59725
October 17, 2020

Montana Sage Grouse Habitat Conservation Program
Department of Natural Resources and Conservation
1625 11th Ave
Helena, MT 59620

RE: Request for MSGHCP Funding Support for Mussard-Barrett Conservation Easement

To Whom It May Concern:

Please accept this letter of support for the proposed conservation easement on the 2,440-acre Mussard-Barrett property to be held by The Nature Conservancy. The Mussard-Barrett property contains intact sagebrush grassland and falls within identified core sage-grouse habitat. There are several known active sage grouse leks in the upper Horse Prairie and Medicine Lodge Valleys in proximity to this property. This easement would conjoin sage-brush grassland on state and federal lands to protect contiguous sage grouse habitat in the Horse Prairie/Medicine lodge area. The Mussard-Barrett property contains a substantial portion of the higher quality sage grouse habitat in this area. Sagebrush steppe uplands on the property are likely to support sage-grouse during spring nesting through late-season brood rearing. The successful establishment of a conservation easement would also benefit other sagebrush dependent species such as pygmy rabbits. Recent collaring efforts by MT FWP and Idaho Fish & Game has shown this property to be consistently used by pronghorn and elk at different parts of the year. The uplands also provide spring-through-autumn habitat mule deer, while bottom lands along Horse Prairie provide year-round habitat for moose.

FWP appreciates the Nature Conservancy's effort to protect and enhance wildlife habitat in Beaverhead County. Establishment of this easement would help sustain a working ranch while maintaining high value wildlife habitat. The success of this conservation effort could potentially increase landowner interest in pursuing conservation easements with TNC, MT FWP or other entities. For the above reasons, I believe this area is of strategic importance in protecting habitat for sage grouse and other species in the Horse Prairie/Medicine Lodge area. I encourage you to support this easement. If you have any questions or would like to visit more about the wildlife value of the proposed easement, please feel free to contact me.

Sincerely,
Jesse Newby

A handwritten signature in blue ink, appearing to read 'J Newby', is written over a horizontal line.

FWP Dillon Area Wildlife Biologist. Phone: (406) 683-9305. Email: jnewby@mt.gov

Peters Ranch

Peters Ranch Conservation Easement Project Analysis			
	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Total Acres included in Easement Area	3,429	65,863	380,874
Core Acres	3,429	43,000	108,389
General Acres	0	15,428	50,168
Connectivity Acres	0	0	0
Outside Habitat	0	7,434	222,316
Percent Core	100%	65%	28%
FWP Lek Count (May be other Leks present)	0	5	8
FWP Total Male Count (Most Recent)	0	69	81
FWP Avg. Male Count	0	14	10
Project Cost/Acre	\$154.59	NA	NA

Conservation Status	Project Area	4 Mile Buffer (%)	12 Mile Buffer (%)
Percent Public (MT FWP, STL, BLM, US Bureau of Reclamation, USFS)	0%	71.93%	46.61%
Percent Private Conservation	0%	0%	0%
Percent Managed Areas (Beaverhead - Deerlodge National Forest, BLM, MT FWP)	0%	48.99%	34.56%
Percent Conservation Easement (MLR)	0%	0%	0.62%
Total in Conservation	0%	73.09%	47.63%
Not in Conservation	100%	26.91%	52.37%

Some Managed Areas are also Public Lands.

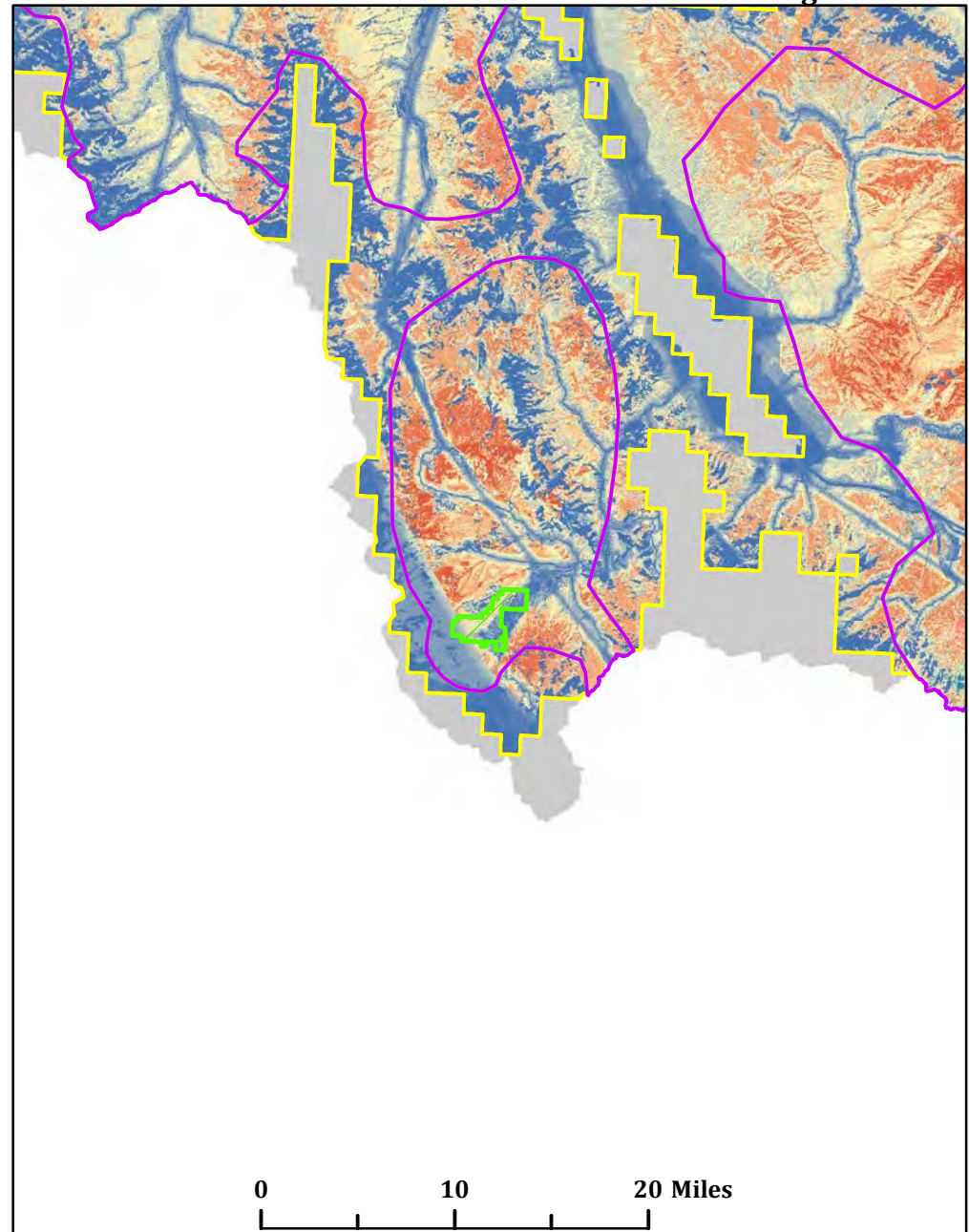
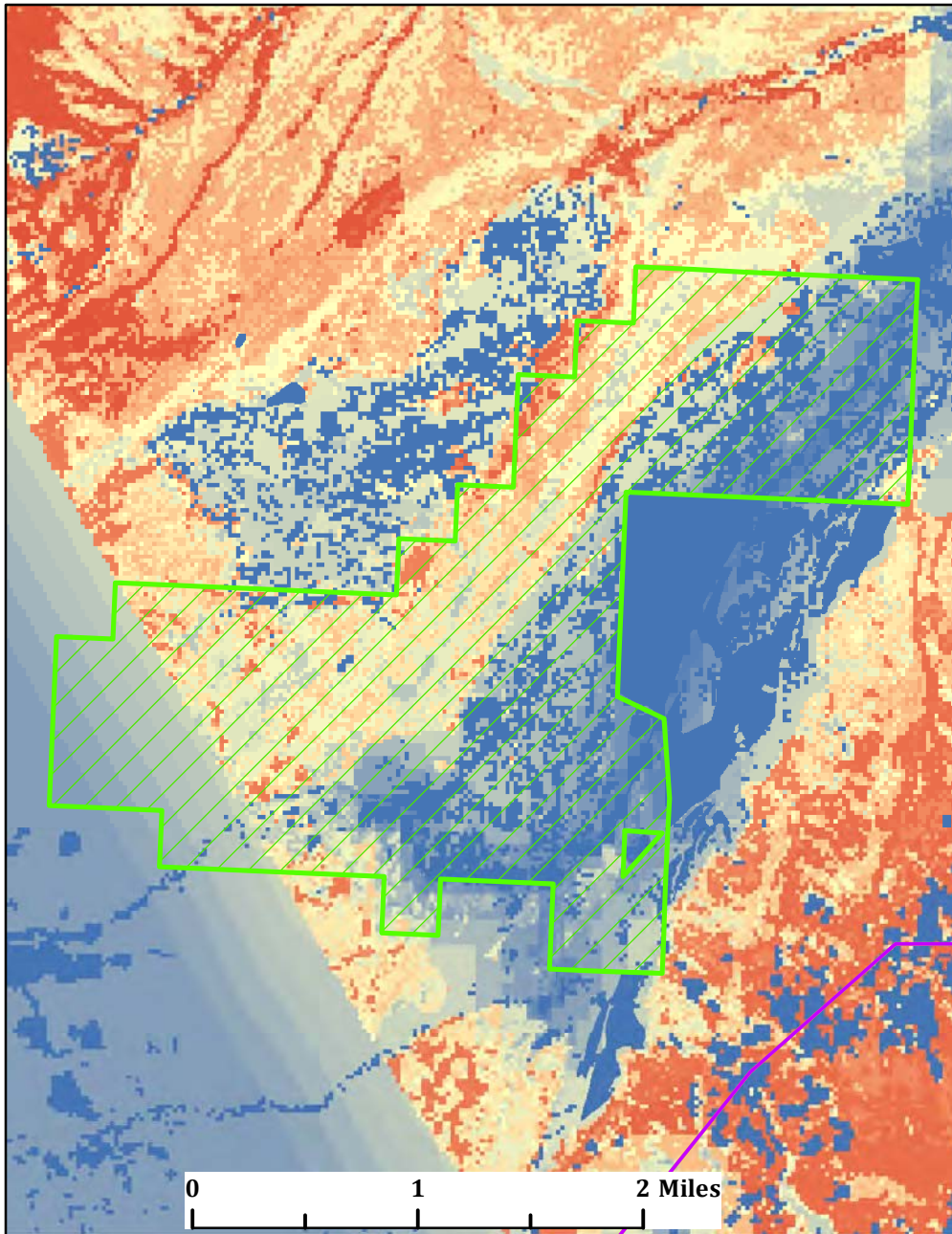
Lek Vulnerability	Project Area	4 Mile Buffer	12 Mile Buffer
No Data	0	0	0
0 - 10%	0	5	8
10.1 - 25%	0	0	0
25.1 - 50%	0	0	0
50.1 - 75%	0	0	0
75.1 - 100%	0	0	0

Existing Disturbance Composition (Percent Area)	Project Area	Project + 4 Mile Buffer	Project + 12 Mile Buffer
Building	0.02%	0.04%	0.01%
Crop	0.06%	1.39%	0.24%
Livestock Area	0.28%	0.02%	0.005%
Power Line	0.00%	0.06%	0.02%
Road	0.55%	0.26%	0.12%
Stock Pond	0.00%	0.0001%	0.0002%
Storage Yard	0.01%	0.03%	0.01%
Other	0.00%	0.02%	0.02%

HQT Results: Peters Ranch - TNC

Local Scale

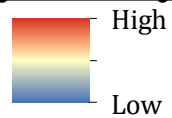
Regional Scale





Project HQT Metadata

HQT Date: 10 Sept. 2020
Years Maintained: 100 Years

HQT Habitat Quality



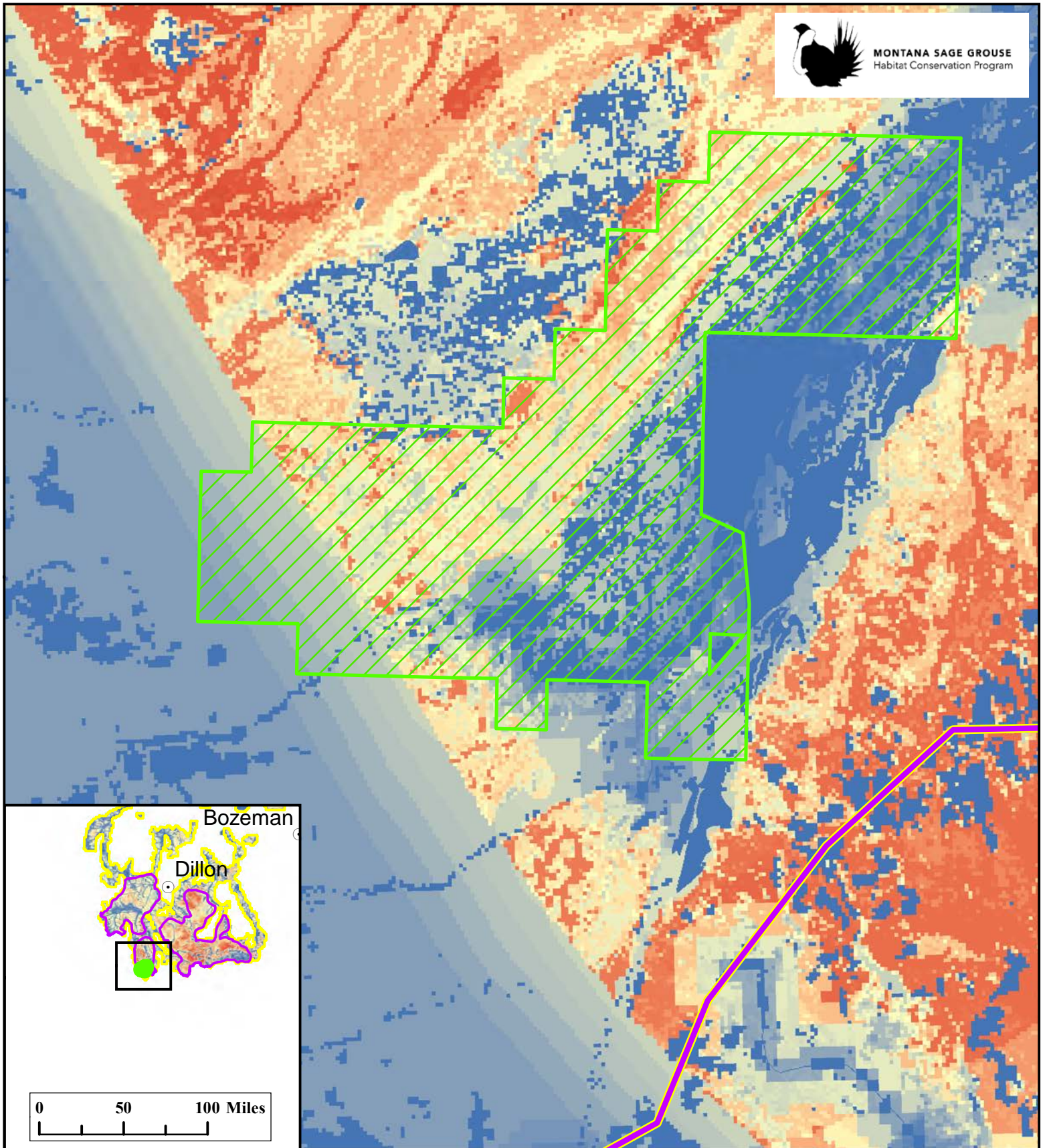
-  Project Direct Impact Footprint
-  Project Assessment Area

-  Core Area
-  General Habitat



MONTANA SAGE GROUSE
Habitat Conservation Program

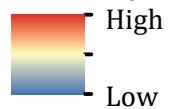
HQT Results: Peters Ranch - TNC



Project & HQT Information

Date of HQT Results: 10 Sept. 2020
Number of Years: 100 Years

HQT Habitat Quality



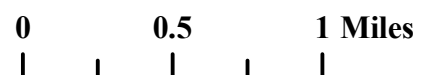
Project Direct Footprint

Core Area

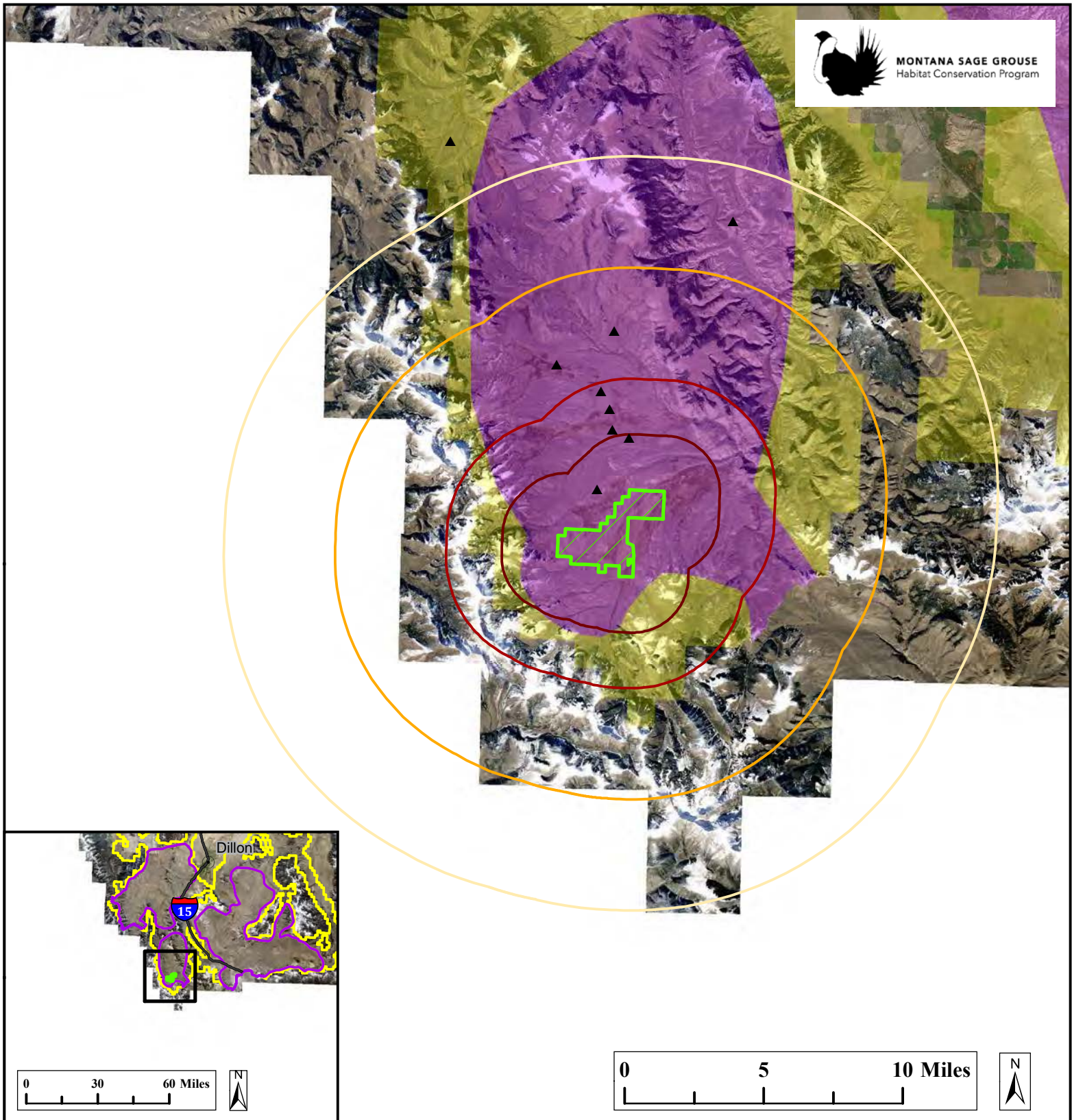
General Habitat



Major Towns











Peters Ranch TNC Conservation Easement - Lek Proximity



Project Information:

Map Date: 23 October 2020
 PathFile: G:\CARD\10 Sage Grouse HCP\Grant
 Program\Third Cycle - November
 2020\GIS\Peters Ranch - TNC\maps\
 ProximityToSGLeks.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
 Aerial Photography Field Office.

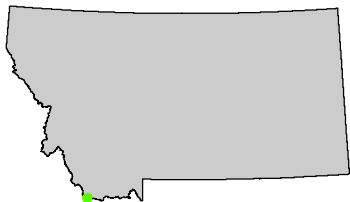
▲ ActiveLeks	Buffer Distances	# Leks Within Buffer
 Project Boundary	 2 Mile Buffer	2 Mile: 2
 Core Area	 4 Mile Buffer	4 Mile: 5
 General Habitat	 8 Mile Buffer	8 Mile: 7
 Connectivity Area	 12 Mile Buffer	12 Mile: 8

Peters Ranch TNC Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program

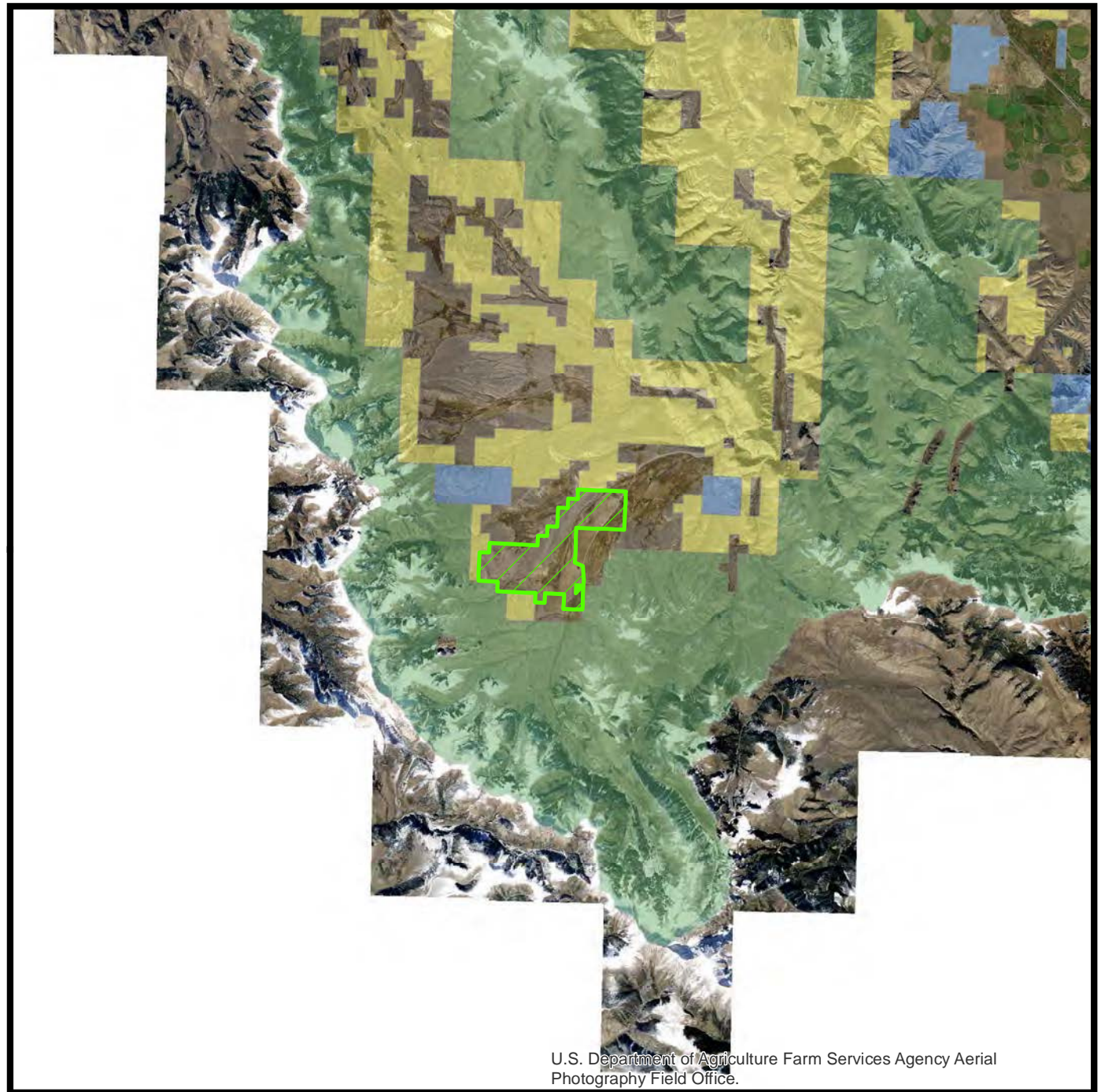
-  **Project Boundary**
-  **Montana State Trust Lands**
-  **US Bureau of Land Management**
-  **US Forest Service**



Project Information:

Map Date: 23 October 2020
Path File: G:\CARD\10 Sage Grouse HCP\
Grant Program\Third Cycle - November 2020\
GIS\Peters Ranch - TNC\maps
publicLands_landscape.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



U.S. Department of Agriculture Farm Services Agency Aerial
Photography Field Office.

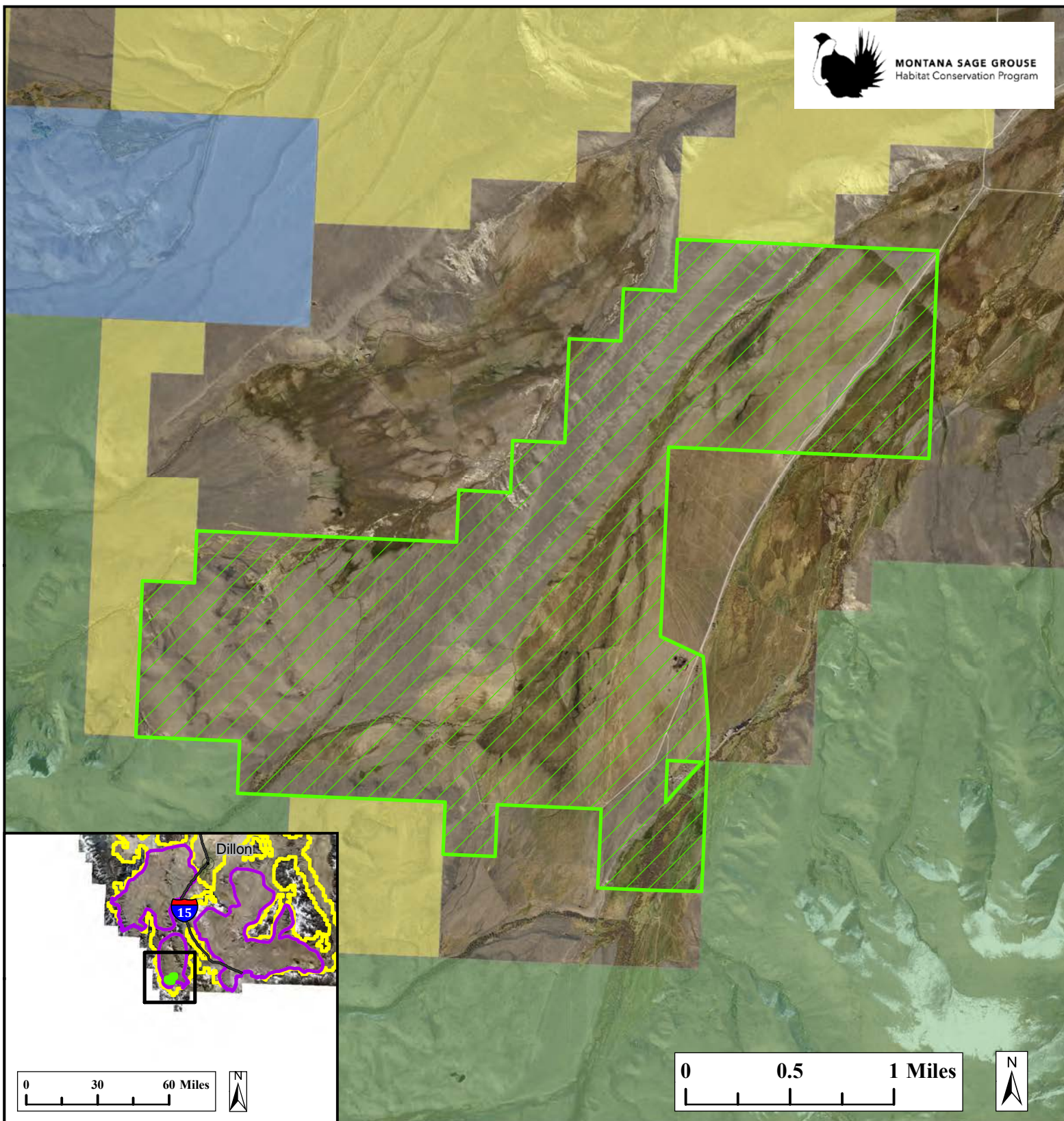
0 7.5 15 Miles

A horizontal scale bar with three segments, labeled 0, 7.5, and 15 Miles.

Peters Ranch TNC Conservation Easement



MONTANA SAGE GROUSE
Habitat Conservation Program



Project Information:

Map Date: 23 October 2020
PathFile:G:\CARD\10 Sage Grouse HCP\Grant
Program\Third Cycle - November
2020\GIS\Peters Ranch - TNC\maps\
PublicLandDDPs.mxd

Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.



Project Boundary



Core Area



General Habitat



Connectivity Area



Montana State Trust Lands



US Bureau of Land Management



US Forest Service

Percentage Conserved Lands within 4 Miles of the Peters Ranch Conservation Easement (The Nature Conservancy)













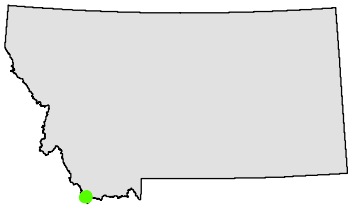
MONTANA SAGE GROUSE
Habitat Conservation Program

Project Information

-  Direct Project Footprint
-  Conserved Lands

Percent of Conserved Lands within 4 Miles of Project Area

-  0% - 10%
-  10.1% - 20%
-  20.1% - 30%
-  30.1% - 40%
-  40.1% - 50%
-  50.1% - 60%
-  60.1% - 70%
-  70.1% - 80%
-  80.1% - 90%
-  90.1% - 100%

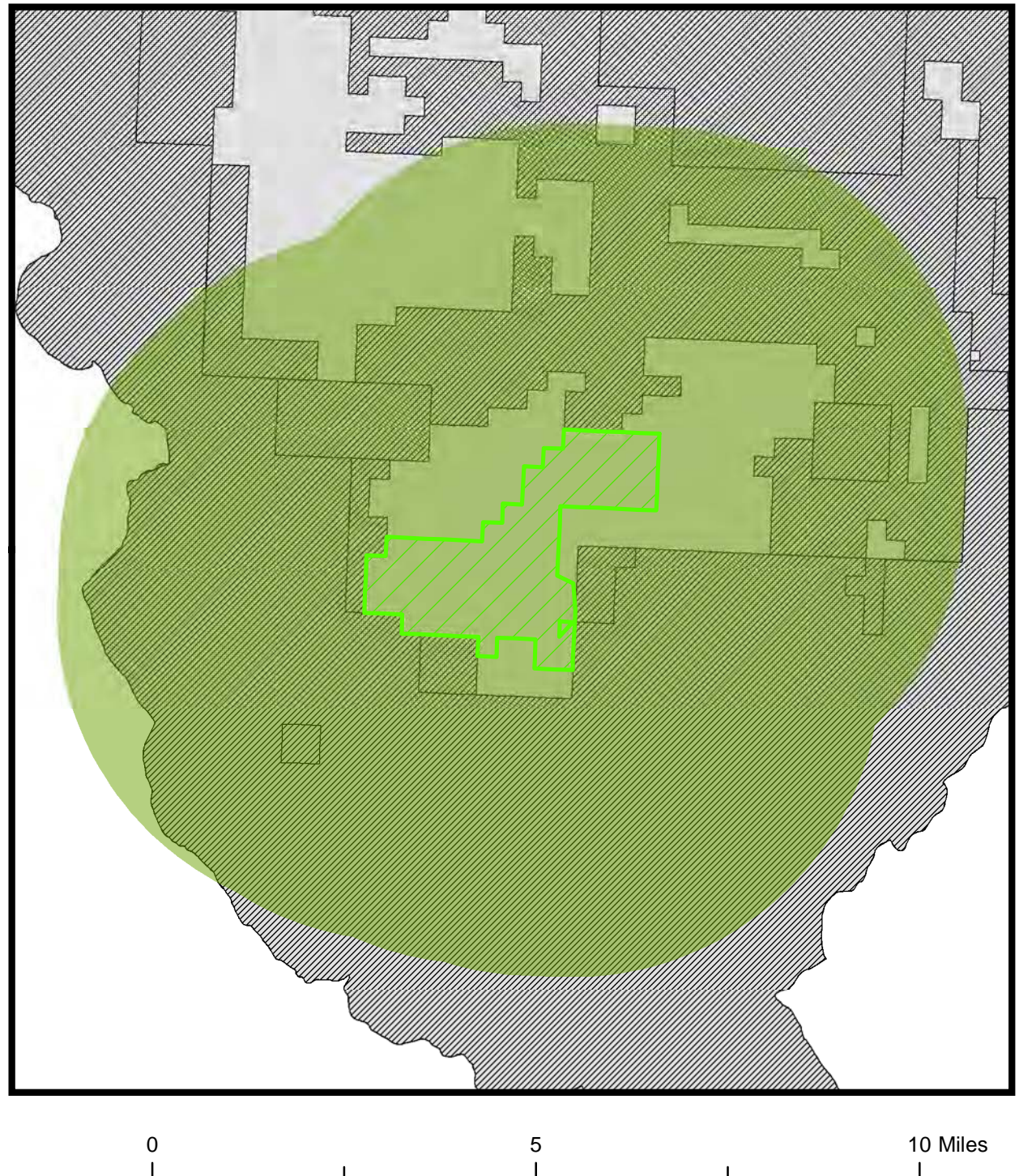


Map Information:

Map Date: 26 October 2020

File Path: G:\CARD\10 Sage Grouse HCP\Grant
Program\Third Cycle - November
2020\GIS\Peters Ranch - TNC\maps\
4MileConservedLands.mxd

Land Management Dataset from: <http://mtnhp.org/stew.asp>





MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS COMPLETE APPLICATION

INTRODUCTION

Thank you for your interest in sage grouse conservation in Montana. Montana's goal is to conserve sage grouse and sage grouse habitats, to maintain viable populations and habitats, and maintain the flexibility to manage our own lands our wildlife, and our economy. In doing so, Montana can show that listing under the federal Endangered Species Act is not warranted in the future.

Habitat conservation is an important part of Montana's Sage Grouse Conservation Strategy. Montana recognizes the important role private landowners have played in conserving sage grouse and habitat through their land stewardship. Private landowners will continue to play an important role in conservation efforts going forward.

Montana has adopted an "all hands, all lands" approach where we work together collaboratively to address all threats. The Greater Sage Grouse Stewardship Fund is an opportunity to collaborate on sage grouse conservation.

PURPOSE OF THE GRANT PROGRAM

The purpose of the Montana Greater Sage-Grouse Stewardship Act ("Act") is to provide competitive grant funding and establish ongoing free-market mechanisms for voluntary, incentive-based conservation measures that emphasize maintaining, enhancing, restoring, expanding, and benefiting sage grouse habitat and populations on private lands, and public lands as needed, that lie within core areas, general habitat, or connectivity areas. MCA § 76-22-102(2).

The Act also requires that the majority of the grant funds be awarded to projects that generate credits that are available for compensatory mitigation. Therefore, MSGOT will prioritize grant awards to projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. The habitat quantification tool will be used to determine the final number of credits generated for any projects funded under the Grant Program.

Applications to the Grant Program do **not** constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015. Participation or receipt of Stewardship Fund Grant Program monies does not exclude or waive necessary review of any new land uses or activities subject to *Executive Order 12-2015*. Any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must also be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to that process.

Applicants are strongly encouraged to read the key documents before applying:

- The *Frequently Asked Questions, Stewardship Grants and Mitigation* document. It is found here: <https://sagegrouse.mt.gov/Grants>. It provides answers to common questions about Stewardship Account grants, mitigation, and private lands.



- The *Application and Award Process Diagram and the 2019 Deadlines* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document outlines the process and deadlines for the 2019 grants.
- The *Application Information and Guidance* document. It is found here: <https://sagegrouse.mt.gov/Grants>. This document provides a comprehensive outline of project eligibility, selection criteria, steps in the grant process from the pre-application phase to project implementation, and expectations for different project types. This document also includes the statutory requirements of the grant program located at MCA § 76-22-101 *et seq*, and the administrative rules promulgated to implement the grant program located at 14.6.101-106, ARM.
- The *Montana Mitigation System Policy Guidance Document for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. Portions of Section 1 and all of Section 2 are pertinent to mitigation credit sites. While section 3 is specifically for developers, it has information that may also provide helpful context.
- *Executive Order 12-2015*, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage-Grouse Habitat Conservation Program.
- For term lease or conservation easement projects, see the *Stewardship Account Term Lease / Conservation Easement Acknowledgment Form* at the end of the Complete Application (below).
- For restoration or enhancement projects, see the *Stewardship Account Restoration / Enhancement Acknowledgment Form* at the end of the Complete Application (below).

Applicants are also encouraged to read and become familiar with the following documents before applying:

- The *Montana Mitigation System Habitat Quantification Tool Technical Manual for Greater Sage-Grouse, v1.0 October 2018* document. It is found here: <https://sagegrouse.mt.gov/Team>. This document explains how credits are calculated for Stewardship Account grant projects.
- *The Montana Greater Sage Grouse Habitat Conservation Advisory Council Final Recommendations*, dated January 29, 2014, and other background materials available at <http://fwp.mt.gov/fishAndWildlife/management/sageGrouse/habitatConservation/>.
- The U.S. Fish and Wildlife Service *Notice of 12 Month Petition Finding*, announcing its decision not to list the greater sage grouse rangewide under the federal Endangered Species Act (i.e. the “not warranted for listing” decision); see 80 FR 59858-59942, October 2, 2015, available at <https://www.federalregister.gov/articles/2015/10/02/2015-24292/endangered-and-threatened-wildlife-and-plants-12-month-finding-on-a-petition-to-list-greater>. Attention should be placed on portions relevant to Montana.



ADDITIONAL INFORMATION (please read before submitting an application):

How to Submit a Complete Application

All projects should be submitted on the Montana Greater Sage-Grouse Stewardship Account Grant Program Application Form in electronic format by attaching and emailing the application to sagegrouse@mt.gov. Attach additional documents and supporting information, as well. If you do not receive a confirmation email within a few days of sending the application, please send a follow up email to csime2@mt.gov.

Applications should be received via email by 11:59 p.m. on May 6, 2019. If you experience technical difficulty with the electronic submission, please contact Carolyn Sime (406-444-0554, csime2@mt.gov).

Additional Background

Grant funding is provided to implement projects that satisfy the eligibility and evaluation requirements of the Act, provide mitigation to offset development elsewhere, and which further address the primary threats to sage-grouse as identified in *Executive Order 12-2015* and by the U.S. Fish and Wildlife Service in its *12 Month Petition Finding* of “not warranted for listing” published as 80 FR 59858-59942, October 2, 2015. .

Organizations and agencies are eligible for grant funding. In addition, organizations and agencies must hold and maintain conservation easements or leases or be directly involved in sage grouse habitat mitigation and enhancement activities.

Grant recipients are required to enter into a grant agreement with MSGOT and the Program. An applicant is not a grant recipient until the grant agreement has been executed by all necessary parties. Grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act and as appropriate to the project.

Grants funds are distributed as reimbursements in most cases. This means the grantee must submit for reimbursement of expenses incurred. “Up front” funding is not allowed, unless specifically identified in a grant agreement. Similarly, reimbursement funding for activities undertaken prior to the grant agreement’s execution is not allowed.

Grant funding cannot be used to replace or supplement a grantee’s operating budget, unless the budget items directly relate to the conservation of Sage Grouse and the purpose of the grant. For example, grant funding cannot be used to obtain office space, increase a wage or salary, or for acquisition of capital goods, assets, or durable goods (trucks, GPS units, computers, software, etc.).

Depending on the project type, reports will be required. Report content and reporting interval will vary by project type and will be developed in conjunction with grantees. For example, reports for perpetual conservation easements and term leases will be required annually for purposes of monitoring compliance with the terms of the lease or easement. The content and interval for restoration or enhancement will be different.



MONTANA GREATER SAGE-GROUSE STEWARDSHIP GRANTS 2019 COMPLETE APPLICATION

Project Title: Peters Ranch Conservation Easement

Grant Request Amount (in \$): \$530,000

Applicant(s) Information:

Name: Jim Berkey
Title: High Divide Headwaters Director
Agency/Organization: The Nature Conservancy
Street / P.O. Box: 32 South Ewing Street
City: Helena
State and Zip: Montana 59601
Phone: 406-370-6905
E-mail: jberkey@tnc.org

Point of Contact: (name only one individual):

Name: Jim Berkey
Title: High Divide Headwaters Director
Agency/Organization: The Nature Conservancy
Street / P.O. Box: 32 South Ewing Street
City: Helena
State and Zip: Montana 59601
Phone: 406-370-6905
E-mail: jberkey@tnc.org

Proposal Prepared by: Leave blank if same as Point of Contact.

Name:
Title:
Agency/Organization:
Street/P.O. Address:
City: State: Zip:
Phone #: FAX #:
E-mail:

Request: A one-time advance payment is requested for the proposed conservation easement prior to closing; balance of expenses will be invoiced on a cost reimbursable basis.

Is this a multi-year project for which future grants will be sought? If so, explain. No

All Project Partners/Cooperators. Provide contact information for all persons, organizations, and agencies:

(A) involved in the proposed project

(B) who own lands in the project location, or



(C) who own lands for which the grant applicant is claiming project benefits.

For each identified person, organization, or agency, describe their role in the proposed project.

Identify any MOUs, agreements, or contracts associated with the project.

Roger D. and Carrie A. Peters

Private Landowner, Easement Grantor
6000 Hwy 324 Dillon, MT 59725
406-681-3198/ dragny324@yahoo.com

Natural Resources Conservation Service

Funding Partner, Holder of Third-Party Rights in Easement (FY20 ALE funds secured by TNC via grant agreement in 2020)
Allen Persinger, NRCS Bozeman State Office, 10 East Babcock, Room 443, Bozeman, MT 59715/ 406-587-6873/ allen.persinger@usda.gov

Project Type - Preservation (easement or lease), Habitat Restoration, Habitat Enhancement, or Combination:

Preservation – Perpetual Conservation Easement

If the grant application is a Habitat Restoration or Habitat Enhancement project, is the restoration or enhancement site included within a proposed lease as a combination project in this application? Yes/No.

NA

If No, please describe the measures in place or that would be put into place to protect the site's newly-restored or newly-enhanced habitat conservation values.

Project Narrative: Describe the project and its duration. Include the problems or threats specifically identified at the project location, what actions the project will undertake, and how such actions will address the threats and satisfy the stated goals and objectives of the project. (3 pages of narrative or less)

The Nature Conservancy and Roger D. and Carrie A. Peters propose to permanently protect 3,440 acres of greater sage-grouse habitat within Core Area 9 (GSG Management Zone IV) with a perpetual conservation easement. The Peters Ranch is located at the southern end of the Big Sheep watershed, within Beaverhead County, Montana. The Peters Ranch includes high quality sagebrush steppe, grassland, wet meadow, and riparian and wetland cover types set within a remote relatively undisturbed high elevation intermountain basin that is productive enough for greater sage grouse that it is identified as a distinct Sage Grouse Core Area by the State of Montana. The Big Sheep Basin contains abundant sagebrush grasslands interspersed with numerous wet meadows fed by annual snowmelt, seeps and springs, and perennial streams. This combination of habitat features is known to be the most productive for greater sage-grouse in southwest Montana.



The Big Sheep Basin is a remote high elevation valley surrounded by the Tendoy Mountains to the east and north and the Beaverhead Range, including the Italian Peaks which reach elevations of over 11,000 feet, to the south and west. The surrounding mountains are managed as a part of the Beaverhead Deerlodge National Forest. Mountain foothills and portions of the valley floor are managed by the Bureau of Land Management. The valley is much as it was 100 years ago and contains only ~3 year-round ranch residences. The entire basin supports only 6 ranch operations, the majority of which only use the land for summer grazing. This unchanged management has left this valley relatively untouched by human development and it consequently supports outstanding wildlife habitat. The predominant land use for both public and private lands in the region is seasonal livestock grazing. High elevations and short growing seasons typically preclude conflicts between summer livestock grazing and sage grouse habitat use.

The 3,440-acre Peters Ranch parcel proposed for protection is part of the Peter's "Draggin Y Ranch" that includes extensive acreage within Horse Prairie Creek watershed approximately 50 miles north of the subject parcel. Roger and Carrie Peters have operated the Draggin Y Ranch as a traditional cow calf operation since the early 1970's. As a relatively large ranch operation, the Draggin Y Ranch has a positive socioeconomic impact on Beaverhead County. The Peters would like to see their property in Big Sheep remain open and productive for both ranching and wildlife. This easement would represent a positive socioeconomic step – both helping this operation financially and maintaining the traditional ranching lifestyle/ heritage which has sustained habitat for wildlife, including greater sage-grouse, for generations.

Elevations on the Peter's Big Sheep Property range from approximately 7,100 feet elevation near Nicholia Creek to over 8,100 feet elevation to the west. The Peters Ranch holds grazing permits on an additional 560 acres on adjacent BLM lands and 15,540 acres of nearby USFS lands.

The Peters' use the property exclusively for summer livestock grazing. Stock water is provided by irrigation ditches fed from diversions from Nicholia, Cottonwood, and Rock Creek and in some upland rangeland pastures stock water is supplemented by undeveloped springs. Portions of the property are seasonally flood irrigated off these ditches.

Approximately half of the property consists of native sagebrush steppe rangeland. In general, lower elevations are dominated by Wyoming big sagebrush and Mountain big sagebrush, with lesser amounts of rabbitbrush, and Idaho fescue, thread-leaved sedge, and bluebunch wheatgrass. Higher elevations portions of this land class switch to higher percent grass cover and lower sagebrush cover. Dominant species observed include one-spiked oatgrass, Idaho fescue, and locoweed. The remainder of the property consists of either riparian and wetland areas along Nicholia and Rock Creek or natural wet meadow and flood irrigated pastures that support a diversity of native shrubs, grasses and forbs and provide excellent brood rearing habitat for greater sage grouse.

The intact native sagebrush steppe and associated wet meadows on this property provides excellent habitat for greater sage-grouse and other sagebrush obligate species of concern, including Brewer's sparrow, sage thrasher, ferruginous hawk, long-billed curlew, sandhill crane, and pygmy rabbit. The ranch and surrounding landscape are also strongholds for elk, moose, and pronghorn populations. The Big Sheep Basin is designated as a state "Important Plant Area" due to its astounding assemblage of rare plants within a relatively small geography. The entire Peters Ranch is utilized by greater sage-grouse. The ranch and surrounding landscape's combination of 1) expansive intact sagebrush grassland, 2) abundant interspersed



wet meadows, and 3) higher elevation mountain big sagebrush-dominated cover make it high-quality sage grouse habitat.

We anticipate that an approximately 10-acre area encompassing the existing ranch residence area along Nicholia Creek will be excluded from the conservation easement. The easement would expressly allow the property to continue to serve as a working ranch that supports seasonal livestock grazing and associated practices (flood irrigation, fences, stock water, etc). Construction of new agricultural buildings will be limited to a 10-acre “building envelope” drawn around an existing barn and corral area along the county road to permanently limit impacts to habitat.

The Nature Conservancy secured a \$1,500,000 grant from the USDA NRCS ALE program in September 2020. This grant amount is based on the maximum allowable ALE contribution for a Grassland of Special Environmental Significance (GSS) ALE project, which is 75% of the estimated Peters Ranch conservation easement value of \$2,000,000. The Conservancy has engaged Kevin Pearce of New Frontier Ranches, to complete a USPAP compliant conservation easement appraisal. We expect this appraisal to be complete in early 2021.

If funding is secured for this easement, we anticipate trying to close the conservation easement in late 2021 or early 2022.

Management Relevance/Conservation Benefit: Describe the benefits to be achieved if the project is implemented. (200-word narrative or less)

Sage Grouse Core Area #9 is Montana’s most southwesterly Core Area and is centered on the high elevation sagebrush steppe of the Big Sheep Basin. Telemetry data from both BLM and Idaho Fish and Game suggest strong connections between Montana’s Big Sheep sage grouse populations and sage grouse populations to the west (Lemhi Valley) and south (Medicine Lodge valley) in Idaho. Sage Grouse Core Areas designated by Idaho’s Sage Grouse Task Force are located within 6 miles of the Peters Ranch to the southwest and southeast in Idaho. There are 7 known sage grouse leks in Montana within 8 miles of the Peters Ranch. These all lie north of the subject property within the Big Sheep Basin. An eighth lek is located within 12 miles of the Peters Ranch and is within the Muddy Creek valley to the northeast. The closest lek is just over 1-mile northwest of the subject property on adjacent private lands near Meadow Creek.

The proposed easement would protect a relatively large piece of this unique intermountain Core Area, which to-date remains largely unprotected and at high risk of subdivision from recreational development.

Problem / Threat Analysis: Describe the sage grouse problems/threats being addressed by the project and why the project is necessary. (Approximately 100 words)

The remote and undeveloped nature of this landscape is currently under threat. Already, large working ranches in the area have been subdivided and developed, fragmenting critical habitat. The pace and scale of this threat has dramatically increased just in the past 6 months. We must respond to opportunities such as the Peters Ranch and make strategic investments to protect these critical watersheds while they remain intact.



The proposed conservation easement will address the primary threats to greater sage-grouse habitat identified in this Core Area: habitat loss and fragmentation due to exurban development, sagebrush control, and improper livestock management. The easement would prohibit future subdivision and development of the property and ensure that wet meadows and upland sagebrush grasslands remain open and viable for greater sage-grouse habitat. Easement terms would include provisions prohibiting tilling of native sagebrush grassland vegetation and other significant ground disturbances/ alterations, that would impair conservation values (including greater sage-grouse habitat) and broad-scale disturbance of native vegetation on the Property. This project will help maintain, sage grouse habitat and populations for the heritage of Montana and its people through a voluntary incentive-based effort.

Project Location:

UTM Coordinates (Easting, Northing, Zone, Datum): 348280.40 m E, 4929482.02 m N, 12T UTM

PLSS Description (County Township Range Section/s):

TOWNSHIP 15 SOUTH, RANGE 11 WEST

Section 13: S $\frac{1}{2}$

Section 14: E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 22: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 23: E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 24: N $\frac{1}{2}$

Section 26: NW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 27: All

Section 28: NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Section 33: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 34: N $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 35: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

Project Location map(s): Please submit maps as attachments to this document. Be sure to include titles, labels and descriptive references.

County name/s: List all counties where the project will occur.

Beaverhead County

Size of Project Area:

Total acres within project boundary, or directly affected by project: 3,440 acres

Total acres indirectly affected by project (explain): NA

Are there any existing surface use agreements: Yes/No

If there are existing surface use agreements, please describe the nature of the agreements, their duration, and expiration date. Does the lease contain an option to renew?



No. Neither the title commitment nor the owners have revealed any existing surface use agreements.

If the participating private landowners do not own the mineral rights, are the mineral right owners known? Yes/No

No

Are there any existing mineral leases? Yes/No

If there are existing mineral leases, please describe the nature of the leases, their duration, and expiration date. Does the lease contain an option to renew?

No.

Has a mineral remoteness review test been completed? Yes/No. If yes, please describe the conclusions. If no, is one is expected to be completed and if so, when would results be known?

No. We anticipate that a minerals remoteness report will be completed by November 15, 2020.

Is any portion of the Project Area enrolled in NRCS Farm Bill Programs? Yes/No

If yes, please describe. For example, which NRCS program and when does the project expire? Provide the Township / Range / Section of the enrolled lands.

No.

If there are State Trust Land parcels and /or BLM parcels within the boundary of the proposed project, do the participating landowners hold the appropriate state or federal lease, grazing or farming authorizations? Yes/No. If yes, please provide some background information about the authorization and its expiration date. If no, please provide some additional background.

NA

Surface Land Ownership:

(check all that apply) Federal _____ State _____ Private ☒ _____

If project will affect a mosaic of land ownerships (e.g., mix of federal, state and/or private lands), provide a breakdown for each specific owner type by acres and percent of total project area.

	Federal	State	Private	Total
Directly Affected				
Acres			3,440	3,440
Percent of Total			100%	
Indirectly Affected				
Acres				
Percent of Total				



Project Activity Description: (check all that apply)

☐ **Reduction of Conifer Encroachment**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

☐ **Reduction of Invasive Weeds**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

☐ **Maintenance/Restoration/ Improvement of Sagebrush Health or Quality**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

☒ **Purchase/Acquisition of a Term Lease or Conservation Easement**

	Federal	State	Private	Total
Core Area				
Acres			3,440	3,440
Percent of Total			100%	
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				

Percent of Total				
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_____ **Incentives to Reduce Conversion of Grazing Land to Cropland**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ **Restoration of Cropland to Grazing Lands**

	Federal	State	Private	Total
Core Area				
Acres				
Percent of Total				
General Habitat				
Acres				
Percent of Total				
Connectivity Area				
Acres				
Percent of Total				

_____ **Demarcation of Fences**

	Federal	State	Private	Total
Core Area				
Miles				
Percent of Total				
General Habitat				
Miles				
Percent of Total				
Connectivity Area				
Miles				
Percent of Total				

_____ **Reduction of Unnatural Perching Platforms for Raptors**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				



Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Reduction of Unnatural Safe Havens for Predators**

	Federal	State	Private	Total
Core Area				
Number of Structures				
Percent of Total				
General Habitat				
Number of Structures				
Percent of Total				
Connectivity Area				
Number of Structures				
Percent of Total				

_____ **Other: Briefly Explain**

	Federal	State	Private	Total
Core Area				
Number of Acres or Structures				
Percent of Total				
General Habitat				
Number of Acres or Structures				
Percent of Total				
Connectivity Area				
Number of Acres or Structures				
Percent of Total				

_____ **Modification of Fire Management to Conserve Sage Grouse Habitat or Populations (Briefly explain)**

Vegetation Management: If the project involves any vegetation management, manipulation, or treatment (i.e. conifer reduction, grazing land management, sagebrush management or restoration wildfire management) complete the following. (Check all that apply.)



NA

Mechanical Treatment _____ Chemical Treatment _____ Prescribed Fire _____
Restoration _____ Reseeding/Planting _____ Deferred Grazing _____
Invasive/Noxious Plant Removal _____ Other(s) (explain) _____

Identify the post-treatment management strategies to be implemented (e.g. livestock grazing plans, weed control, infrastructure maintenance, etc.). (500-word narrative or less. Attach additional information if necessary.)

NA

Local Impacts: Describe any impacts or benefits to the local communities, including socioeconomic impacts or benefits. (200-word narrative or less. Attach additional information if necessary.)

The 3,440-acre Peters Ranch parcel proposed for protection is part of the Peter's "Draggin Y Ranch" that includes extensive acreage within Horse Prairie Creek watershed approximately 50 miles north of the subject parcel. Roger and Carrie Peters have operated the Draggin Y Ranch as a traditional cow calf operation since the early 1970's. As a relatively large ranch operation, the Draggin Y Ranch has a positive socioeconomic impact on Beaverhead County. The Peters would like to see their property in Big Sheep remain open and productive for both ranching and wildlife. This easement would represent a positive socioeconomic step – both helping this operation financially and maintaining the traditional ranching lifestyle/ heritage which has sustained habitat for wildlife, including greater sage-grouse, for generations.

Other Benefits: List and describe any other benefits that will be achieved from the project. (e.g. educational, economic, research, public access, other environmental or conservation services, etc.)

This corner of Montana remains a wild, unfragmented landscape of working ranches interspersed with public lands. Its high intermountain valleys provide vital habitat that connect the Greater Yellowstone Ecosystem to the Crown of the Continent and the Salmon Selway of central Idaho for wide-ranging species such as grizzly bear and wolverine and a myriad of plant and animal species undergoing range shifts due to climate change. These high valleys also provide ample cold and clean waters to the headwaters of the Missouri, and both Nicholia and Rock Creek on the Peters Ranch have been identified as cold water refugia- fed by late season snowpack sheltered by the Italian Peaks, that will help wildlife and human communities downstream be more resilient to drought. These perennial streams on the ranch support genetically pure westslope cutthroat trout. Finally, thirteen plant species of concern are present within the Big Sheep Creek Basin, many of which likely occur on the Peters Ranch.

Expected duration of effects from proposed project: Check the appropriate box.

_____ 1-15 years; _____ 15-20 years; _____ 20-25 years; _____ 25-30 years; _____ 30-35 years; _____ 35-40 years; _____ 40-45 years; _____ 45-50 years; X in perpetuity.



If the expected duration is in perpetuity, please explain how the applicant and project participants will legally and physically ensure perpetual protection of the proposed habitat project and its benefits.

The Nature Conservancy has a long history of conservation easement stewardship in Montana, having secured the first easement in the state in 1976. Currently, the Conservancy manages ~180 conservation easements that cover nearly 430,000 acres in Montana. The Conservancy meets all the best practices for conservation easement stewardship and enforcement and has been accredited by the Land Trust Alliance. Among practices employed are maintenance of a permanent endowment that pays for annual monitoring costs, annual on-site monitoring, annual or more frequent engagement with landowners, and yearly report generation of property use and condition compared with consistent and inconsistent uses of the easement.

If the expected duration is a term of years, please explain how the applicant and project participants will ensure protection of the proposed habitat project and its benefits.

Total Montana Greater Sage Grouse Stewardship Account Funding Request:

Cash \$ 530,000

Percentage of Total Project Cost 24 %

Narrative Details for Funds: list all sources of funds or in-kind contributions, the amount, whether such funds are in-hand or committed, and any limitations on the use of such funds.

Source	Amount	In-kind Cash?	or In-hand Committed?	Any Limitations?
NRCS- ALE (FY20)	\$1,500,000	cash	Committed	
TNC	\$15,000	cash	In hand	

Narrative explanation of whether funds are in-hand, committed, or have been applied for through other granting opportunities. If not in-hand at the time the application is submitted, please address timeline for when decisions regarding the other granting opportunities will be made and communicated to applicants.

TNC entered into a grant agreement with the NRCS Agricultural Land Easement program on September 25, 2020, which secured **\$1,500,000** for the purchase of the Peters conservation easement.

For in-kind contributions, explain basis and method for valuation:



For cash that is committed but not yet in-hand, explain the circumstances of the commitment, the date committed, and if cash, when the cash will become available:

NRCS funds will be delivered to escrow prior to closing within 30 days of all final conservation easement due diligence being submitted to NRCS. The NRCS ALE funds must be spent no later than March 31, 2023.

If including any project monitoring or stewardship costs, please explain how the budget item listed in the tables below directly relate to the purposes of the grant. [Grants may not be used to supplement or replace the operating budget of an agency or organization except for budget items that directly relate to the purposes of the grant. § 76-22-110(4), MCA.]

Restoration or Enhancement Project Costs / Budget (Complete the table below if the application is for restoration or enhancement projects; if restoration or enhancement areas would also be included in a lease or conservation easement, separate out project costs / budget accordingly by completing both this table and the one below.)

Item	Cash Contribution	In-Kind Contribution	Stewardship Account Request	Total
Project Planning and Design				
Contractor Costs				
Permitting				
Other				
Project Implementation				
Contractor Costs				
Supplies/Materials				
Equipment Costs				
Salaries/Labor				
Other				
Project Monitoring				
Operation and Maintenance				
Total Cost Estimate				

Term Lease or Conservation Easement Project Costs / Budget (Complete the table below if the application is for a term lease or conservation easement; if a term lease or conservation easement project would also include restoration or enhancement activities, separate out project costs / budget accordingly by completing both this table and the one above.)

Item	Cash Contribution	In-Kind Contribution	Requested Contribution	Total
a. Project Planning and Design				
Engineering Applicant				
Contractor				
Landowner				
Baseline Inventory Report (Environmental Documentation Report) Applicant				
Contractor			8,000	8,000
Environmental Hazards Assessment			1,000	1,000
Survey				
Mineral Report Applicant				
Contractor			500	500
Appraisal			20,000	20,000
Title Commitment				
Title Insurance				
Mortgage Subordination				
Resolution of Legal Access				
Land Trust Transaction Fee				
Appraisal				
Closing and Recording Fees			500	500
Other Expenses				
Sub-Total			30,000	30,000
b. Project Implementation				
Manpower Applicant				
Contractor				
Landowner				
Equipment Applicant				
Contractor				
Landowner				

Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Perpetual Easement Stewardship Fee / Endowment	15,000			15,000
Total Easement Value	1,500,000		500,000	2,000,000
Other				
Sub-Total	1,515,000		500,000	2,015,000
c. Project Operation/Maintenance				
Manpower Applicant				
Contractor				
Landowner				
Equipment Applicant				
Contractor				
Landowner				
Materials (rock, chemicals, etc.)				
Applicant				
Contractor				
Landowner				
Monitoring Stewardship				
Other				
Sub-Total				
d. GRAND TOTAL	1,515,000		530,000	2,045,000

If a Conservation Easement, Summary of Acquisition Budget:

Appraised Value of Conservation Easement: \$2,000,000 (appraiser's estimate)

Landowner Donation: \$0

Other Donation: _____

Purchase Price: \$2,000,000

Source of Easement Funds: (list all sources)

Stewardship Account: \$500,000

Other: NRCS- ALE FY20 Grant: \$1,500,000

Other: _____

Other: _____



Project Readiness / Implementation Schedule: List time line including month and year when project is expected to be initiated and completed.

Month/Year overall project begins: April 2020

Month/Year overall project ends: estimated: December 2021

Month/Year Stewardship Account Grant funding would begin: estimated: December 2021

Month/Year Stewardship Account Grant funding would end: estimated: December 2021

Likelihood of Implementation: Have all necessary permits/approvals been obtained? Projects judged unlikely to be implemented may be given lower priority.

PERMIT OR AUTHORIZATION	REQUIRED		SUBMITTED		APPROVED	
	Yes	No	Yes, Date	No, date expected	Yes, Date	No, date expected
Cultural Resource Inventory		x				
COE Section 404 Permit		x				
Cooperative Agreement(s)		x				
*NEPA Analysis		x				
Pesticide Application Permit		x				
Private Landowner Agreement(s)		x				
Sensitive Species Clearance		x				
Surface/Ground Water Permits		x				
T/E Species Clearance		x				
Others (explain)						
County Planning Authority CE Review **	x			June 2021		Sept 2021

**Montana Code Annotated 76-6-206 requires that any conservation easement be provided to local planning authorities, which have up to 90 days to review and comment on a conservation easement.

***If NEPA is Required:** What is the type of NEPA analysis required: Environmental Impact Statement (EIS); Environmental Assessment (EA); Categorical Exclusion (CE); Biological Assessment/biological Evaluation (BA/BE); etc.? What federal agency will conduct the analysis and who is the primary agency contact? What is the estimated submittal and approval dates?



Project Timeline and Estimated Completion Date. (Explain, 200 words or less)

The Peters Easement project will have all basic due diligence steps completed by no later than September 2021. The **Appraisal** and **Mineral Remoteness Report** are currently in process and we expect both will be complete before end of 2020. The **conservation easement** will be drafted and reviewed by both TNC and Landowner this winter. The field work for both **Baseline Report** and **Environmental Assessment** will be conducted summer 2021 and would be completed by September 2021. Near final easement terms will be submitted for **Beaverhead County Planning Authority review** by June 2021. The Landowner and TNC will enter into a **purchase and sale agreement** late summer-early fall 2021 to formalize purchase price, conditions to close, and closing date.

Project Monitoring Plan: All projects require monitoring to determine effectiveness relative to the statutory purposes of the Act to conserve sage grouse habitat and populations. Identify what monitoring program and protocols are in place or will be put in place to assess and quantify the results achieved by the project. Identify those responsible for monitoring. Include both short-term and long-term monitoring. A Project Close-out Report may be required for each project upon completion, to allow tracking of expenditures and attainment of results. Photos, summaries, etc. may be required. If a monitoring plan has not yet been developed, the Sage Grouse Habitat Conservation Program will work collaboratively with successful applicants to develop a plan. (Approximately 2 pages of narrative or less. Attach additional documentation if needed.)

Given that this is a conservation easement, and the action is a one-time event, monitoring will be different than a typical habitat restoration project. For the conservation easement, the Conservancy will provide the state a recorded copy of the conservation easement, baseline report, and associated documents. The Conservancy would conduct annual compliance monitoring of the conservation easement in perpetuity and will provide the State with copies of annual monitoring reports as requested.

Attachments and Supporting Documentation. (Required documentation and supporting materials will vary by project type but check all that are available at the time of submitting a complete application. The Program may contact grant applicants for additional clarification.)

☒ Project Design / Maps

☒ Final Spatial Data

☒ Letters of Support

☐ Site Management or Stewardship Plan

☐ Grazing Plan, if applicable

☐ Restoration Plan, if applicable

☐ Enhancement Plan, if applicable

☐ Draft Term Lease or Conservation Easement with terms, if applicable (**not available at this time**)



_____ Mineral Remoteness Review Report for perpetual conservation easements (**not available at this time**)

_____ Market Appraisal for perpetual conservation easements (**not available at this time**)

___NA___ Site Monitoring Plan

___NA___ *Stewardship Account Term Lease / Conservation Easement Acknowledgement* (see below; include as many signatory pages as there are project participants)

_____ *Stewardship Account Restoration or Enhancement Project Acknowledgement* (see below; include as many signatory pages as there are project participants)

_____ Budget (**Already within the grant**)

___NA___ MOUs and other Agreements

_____ Other (list): _____

For those attachments and supporting documentation that are not available at the time of submitting a complete application, indicate when they will become available:

Mineral Remoteness Report:	Anticipated by November 15, 2020
Conservation Easement Deed:	Anticipated by June 1, 2021
Appraisal:	Anticipated by January 1, 2021

Additional Information for Consideration.



GENERAL ACKNOWLEDGEMENT, ALL PROJECTS

Please initial each verification or acknowledgment and sign below.

- ☒ All Applicants verify that they have read the *Application Information and Guidance* document before filling out this application.
- ☒ All Applicants verify that they have read Executive Order 12-2015, dated September 8, 2015, which outlines the duties of the Montana Sage Grouse Oversight Team and the Montana Greater Sage Grouse Habitat Conservation Program.
- ☒ All Applicants acknowledge that grant recipients are required to enter into a grant agreement with MSGOT and the Program, and that an applicant is not a grant recipient until a grant agreement has been executed by all necessary parties. Such grant agreements will include necessary terms and conditions to ensure that grant funds are disbursed and utilized consistent with the purpose and language of the Act.
- ☒ All Applicants acknowledge that MSGOT will prioritize grant awards for projects which maximize the number of credits generated per dollars of funds awarded, and which provide assurances that credits generated by the project are available for compensatory mitigation. Such assurances may be included in the grant agreement but will be included in other project documents.
- ☒ All Applicants acknowledge that applications to the Grant Program do not constitute a consultation with MSGOT or the Montana Greater Sage Grouse Habitat Conservation Program concerning a new activity or land use governed by the stipulations of *Executive Order 12-2015*, dated September 8, 2015, and any proposed land use or activity described in the grant application which triggers review under *Executive Order 12-2015* must still be reviewed by the Montana Greater Sage Grouse Habitat Conservation Program pursuant to its procedures or process.
- ☒ (If this Application seeks grant funding for a conservation easement or a term lease) All applicants verify that all parties to the term lease or conservation easement have read and signed the attached the *Stewardship Account Term Lease / Conservation Easement Acknowledgement Form*. Include as many copies as there are project participants.
- ☒ (If this Application seeks grant funding for a restoration or enhancement project) All applicants verify that all parties to the project have read and signed the attached the *Stewardship Account Restoration or Enhancement Project Acknowledgement Form*. Include as many copies as there are project participants.

Signature: *James Berkey*

Printed Name: James Berkey

Title: High Divide Headwaters Director

Date: 10/19/20



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

All parties to the proposed term lease or conservation easement must sign the following acknowledgement. This includes every owner to the real property, every lessee and lessor, and every land trust or holder of the conservation easement. (Attach as many copies as there are project participants.)

The signatories hereby verify that they are authorized to sign this acknowledgement in their declared capacity.

The signatories further acknowledge that any lease or conservation easement selected to receive grant funds pursuant to Montana Greater Sage-Grouse Stewardship Act will receive no grant funding unless and until every party involved in the applicable lease or conservation easement agrees through the grant agreement and the lease or easement document to establish the State of Montana as a third-party beneficiary to the lease or easement with a contingent right to enforce the terms of the lease or easement if the grantee fails to do so.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree through the terms of the lease or conservation easement that the lease or conservation easement may not be transferred for value, sold, or extinguished without consent of the State of Montana or its agents.

The signatories further acknowledge that all parties to the lease or conservation easement will be required to agree that the lease or conservation easement will recognize the State of Montana or its agent's right to take legal action to enforce the terms of the lease or easement or to recover from the proceeds of the transfer for value, sale, or extinguishment the state's pro rata share of the proceeds based on the funds the state provided pursuant to this part for the creation of the lease or easement.

The signatories further acknowledge that MSGOT will retroactively calculate, own, and make available credits for leases and conservation easements purchased with grant funds using the most current version of the Habitat Quantification Tool and the Policy Guidance documents and applicable state laws.

The signatories further acknowledge that monitoring reports will be required. The content and reporting interval will be developed collaboratively between the grant recipient and the Montana Sage Grouse Habitat Conservation Program. Reporting requirements will be tailored the project.

The signatories further acknowledge that grant recipients and the Montana Sage Grouse Habitat Conservation Program will collaboratively develop and agree upon the schedule or frequency of payments from the Stewardship Account. The schedule will be included in the grant agreement.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program or its agents can inspect the lands and verify the credits created from lands included within the term lease or conservation. At all times, the state will seek to make arrangements well ahead of time, provide reasonable prior notice, and will not interfere with the landowner's use and enjoyment of the land.

The signatories further acknowledge that the State of Montana through the Sage Grouse Habitat Conservation Program will work with the grant recipient and participating landowners to develop a credit site mitigation plan. The plan will describe the credit estimation, verification, and



monitoring processes. In most cases, existing stewardship plans, grazing plans, or similar will suffice and the mitigation plan will recognize them, while setting out the credit details of the site.

The signatories further acknowledge that term leases should be filed in the county of record, similar to perpetual conservation easements.

The signatories further acknowledge that they will provide necessary documentation or agreements associated with the creation, maintenance, or stewardship of the lease or conservation easement and otherwise allow the State of Montana or its agents to protect its interests as third-party beneficiaries to the lease or conservation easement.

Signature:

Printed Name:

James Berkey
James Berkey

Title:

Role in the Project

(owner, land trust, etc.):

High Divide Headwaters Director

The Nature Conservancy

Date:

10/19/20



STEWARDSHIP ACCOUNT TERM LEASE / CONSERVATION EASEMENT ACKNOWLEDGEMENT

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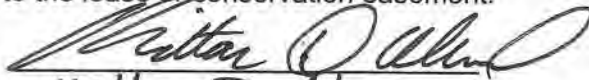
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Signature:

Printed Name:


MILTON D. ALEXANDER

Title:

Role in the Project

(owner, land trust, etc.):

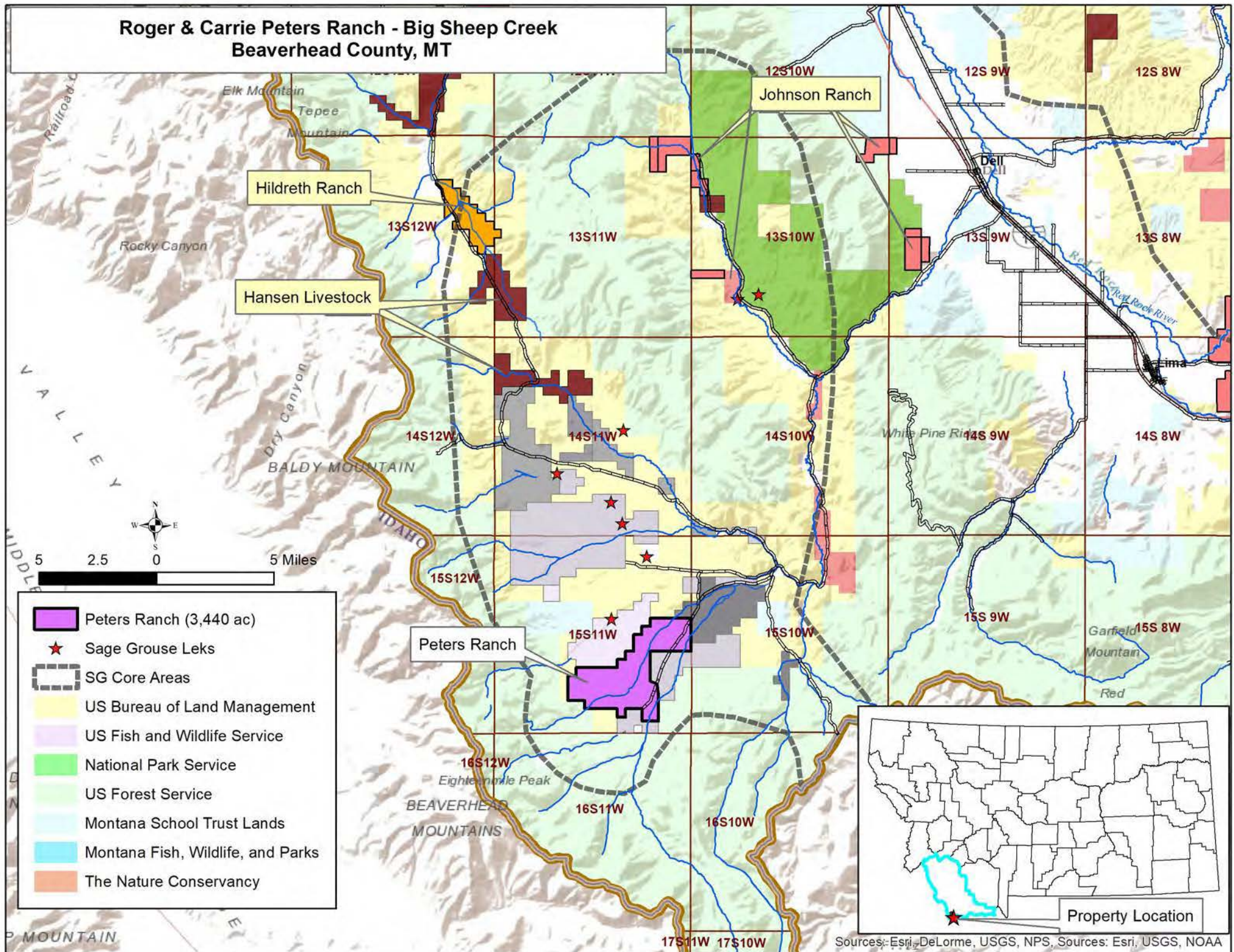
Landowner

Owner

Date:

10/14/2020

Roger & Carrie Peters Ranch - Big Sheep Creek Beaverhead County, MT





Montana Fish, Wildlife & Parks

730^{1/2} North Montana Street
Dillon, MT 59725
October 17, 2020

Montana Sage Grouse Habitat Conservation Program
Department of Natural Resources and Conservation
1625 11th Ave
Helena, MT 59620

RE: Request for MSGHCP Funding Support for Peters Ranch Conservation Easement

Dear Funding Committee:

Please accept this letter of support for the proposed conservation easement on the Peters Ranch to be held by The Nature Conservancy. This property falls within identified core sage grouse habitat. There are several prominent active sage grouse leks in the vicinity which MT Fish, Wildlife and Parks has monitored for the past 20 years. These leks play an important part in the multi-agency effort to monitor sage grouse in Southwest Montana. Recent efforts by the BLM and Idaho Fish & Game to telemeter sage grouse has highlighted the Big Sheep Basin's role in providing spring and summer sage grouse habitat. The collection of sage grouse wings from hunters by MT FWP in Southwest Montana further emphasizes the importance of this area to sage grouse. In 16 years of wing collection, Big Sheep collections dominate the data set. The Peters Ranch sits within this Big Sheep Basin and contains intact sagebrush grassland contiguous with those on BLM & USFS lands. This intact sagebrush provides seasonal resources for sage grouse, as well as pronghorn and other species. The proposed easement contains complexes of sagebrush, grasslands, seeps and riparian areas for sage grouse nesting and brood rearing habitat. The property also provides spring-through-autumn habitat for elk, mule deer, pronghorn, and moose. The property contains a series of high elevation springs that provide annual surface water for wildlife. These springs and surrounding area are used by elk, mule deer, pronghorn, and moose as fawn/calf-rearing habitat and by sage-grouse during brood-rearing.

FWP appreciates the Nature Conservancy's effort to protect and enhance wildlife habitat in Beaverhead County. A conservation easement on this property would safeguard its ability to remain a working ranch while continuing to provide resources for sage grouse and other wildlife. I and other FWP personnel have a strong interest in seeing a successful conservation easement on this ranch because of its high value for wildlife. If you have any questions or would like to visit about the wildlife value of the proposed easement, please feel free to contact me.

Sincerely,
Jesse Newby

FWP Dillon Area Wildlife Biologist. Phone: (406) 683-9305. Email: jnewby@mt.gov



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Montana Ecological Services Field Office
585 Shepard Way, Suite 1
Helena, Montana 59601-6287



In Reply Refer to:
FWS/IR05/IR07
M42 DNRC 06E11000-2021-CPA-0007

November 10, 2020

Ms. Carolyn Sime
Montana Sage Grouse Habitat Conservation Program
Montana Department of Natural Resources and Conservation
1539 Eleventh Avenue
Helena, MT 59601

Dear Ms. Sime:

This letter is in response to your emailed November 2, 2020 general solicitation of comments regarding the Montana Department of Natural Resources and Conservation Montana Sage Grouse Habitat Conservation Program (Program) 2019 Annual Report (Report) and Executive Summary, including the Program's preliminary suggestions for future adaptive management. The Program presented summaries of this and other documents to the Montana Sage Grouse Oversight Team (MSGOT) and stakeholders, including the U.S. Fish and Wildlife Service (FWS), at the October 27 MSGOT meeting held virtually, via Helena, Montana.

The FWS wants to take this opportunity to express our continued strong support for the Program, and commends both the Program and MSGOT for the Program's effective implementation of the Montana Greater Sage Grouse Stewardship Act (Act) and Montana Sage Grouse Conservation Strategy Executive Orders (EOs), and its substantive positive impact on Montana greater sage-grouse (GRSG) conservation. This has been achieved in no small part through thoughtful and transparent Program implementation and ongoing stakeholder engagement regarding Program improvement. Such engagement has included discussion and consideration of site- and project-specific issues as well as current GRSG and sagebrush ecosystem science, and is critical to continued Program success. Effective implementation of the Montana 2014 and 2015 EOs and 2015 Act was an important consideration in the 2015 FWS decision that listing the GRSG under the Endangered Species Act was not warranted.

The Report suggests that upcoming Program adaptive management discussions will likely focus on minor revisions to the Program's Habitat Quantification Tool (HQT) basemap by updating individual HQT GIS layers with the most currently-available data. We strongly support this

INTERIOR REGION 5 MISSOURI BASIN

KANSAS, MONTANA*, NEBRASKA, NORTH DAKOTA,
SOUTH DAKOTA

*PARTIAL

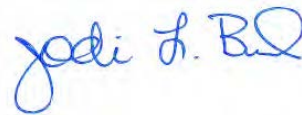
INTERIOR REGION 7 UPPER COLORADO RIVER BASIN

COLORADO, NEW MEXICO, UTAH, WYOMING

activity in order to provide the best possible foundation for the HQT and facilitate continued informed decision making by MSGOT, the Program, and its stakeholders. The Report also suggests that Program implementation could be improved by creating a feedback loop mechanism between developers, state permitting agencies, and the Program to overcome the Program's lack of knowledge about both: (1) the current and/or final status and disposition of projects; and (2) at what point in time contributions to the Stewardship Account will be (or have been) deposited by developers who elect to offset impacts by making a contribution. The FWS strongly agrees that, as stated in the Report, providing such a status feedback mechanism between developers and the Program would improve data accuracy and integrity, accuracy of disturbance data, fiscal management of the Stewardship Account, and the accuracy and reliability of the credit/debit registry. These are also all critical components of the Program's continued success.

Thank you for your ongoing GRSG conservation efforts and the opportunity to provide these comments. Please let us know if we can be of assistance in working through and implementing the adaptive management process. Should you have any questions or comments related to this correspondence, please contact Jeff Berglund at jeff_berglund@fws.gov or (406) 449-5225, extension 206.

Sincerely,



Jodi L. Bush
Office Supervisor



Jocelyn Leroux

P.O. Box 8837

Missoula, MT 59807

tel: (406) 960-4164

fax: (208) 475-4702

email: jocelyn@westernwatersheds.org

web site: www.westernwatersheds.org

**Western
Watersheds
Project**

Working to protect and restore Western Watersheds and Wildlife

November 10, 2020

Re: Adaptive Management and 2019 Annual Report Feedback

Dear Montana Sage Grouse Oversight Team,

Thank you for the opportunity to comment on the October 27 meeting, adaptive management proposals, and the 2019 annual report. Please accept these comments on behalf of Western Watersheds Project (WWP) whose staff and members care deeply about the preservation of sage-grouse and sage-grouse habitat.

Mitigation Framework

The overall mitigation framework relies very heavily on voluntary mitigation measures. There are several challenges with this approach that I would like to highlight. First, is the problem with completing payments to the Stewardship Account. The report states that there is a discrepancy regarding the time in which payments to the Stewardship Account are made, some taking up to two years. This should be amended with a mandatory timeline for contributions following approval by MSGOT. For example, a 60-day timeline would ensure that contributions are made in a timely manner, and members are never spending time tracking down payments.

Further, the credit system is challenging overall because it does not necessarily ensure that high quality, connected habitat is conserved in place of habitat that is being destroyed. There is a large reliance on conservation easements to protect sage-grouse habitat, yet many of these conservation easements still allow uses such as livestock grazing that have been found to be detrimental to sagebrush ecosystems. Instead, efforts should be made to permanently protect large swaths of sage grouse habitat through land purchases. These lands should then be preserved from all extractive industry use, including livestock grazing.

There is a significant challenge being faced considering the high percentage of sage-grouse habitat that is on private lands, but additional tools for preserving this habitat must be considered. The current system develops an unhealthy reliance on extractive industries for sage-grouse conservation. This system will only remain viable so long as the energy industry is pillaging public lands to provide money for private landowners to undertake restoration projects. However, if there is an alternative funding source, Montana can make real strides towards enhancing and expanding sagebrush and sage-grouse habitat rather than simply maintaining “no net loss.”

The current system does not allow much space for the restoration of existing habitat that may have previously been degraded to create larger areas of connected sage-grouse habitat. Instead, it prioritizes those areas for development essentially deeming them too far gone for any additional conservation focus.

Finally, the report says that developers are incentivized to site locate based on low HQT scores, yet this incentive may not be strong enough for large developers. Such developers may be fine paying any price regardless of the impact. This is why it is key that certain areas be fully deemed off-limits for development, not just as the lowest priority for development.

Mitigation Policy Approach to Dry Holes

The new policy approach to dry holes is concerning. The proposal to only require contributions to the Stewardship account following the drilling of a “successful” hole sets up a lot of habitat disturbance to go unmitigated. Even if a well is not “successful” there substantial impacts from development and to get to that point. The lack of payment for the stewardship account map showing the high number of payments gone uncollected due to bankruptcy is a great example of why payments should be collected up front. If a permit is approved, a payment should be made. By relying on later payments or after the fact mitigation you shift towards the likelihood of abandoned wells and a net loss of sage grouse habitat.

Please reconsider adopting this new policy approach that will likely lead to a net loss in sage-grouse habitat.

Conifer “Treatments” as Mitigation

Woodland expansion, also referred to as conifer expansion, has been widely discussed as a major issue facing sage grouse. However, this is not such a cut and dry issue. There is little evidence that conifer treatments are effective. Although millions of acres of public land have been treated over the decades, few studies have synthesized the effects of these projects to determine their rate of success. Miller et al. 2019¹ and Jones 2019² are two studies that aggregated hundreds of vegetation treatment articles in an attempt to find overall patterns. Both syntheses have concluded that treatments vary widely in the degree to which they achieved their goals. Success depends on a complex interaction of multiple variables, and the outcome of treatments is very difficult to predict.

Of particular concern is the effect of treatments on sagebrush communities. Research into the results of sagebrush treatments indicates that they are not as effective as portrayed in the letter from the NRCS and as discussed by the MSGOT. Treatments in fact show mixed results in achieving objectives. When they do increase forbs and grasses, those same conditions can also increase exotics.

MSGOT must comprehensively examine where past treatments have resulted in restoration of sagebrush communities with native perennial grasses and forbs and why many have failed. Have they

¹ Miller, R. F.; Chambers, Jeanne C.; Evers, Louisa; Williams, C. Jason; Snyder, Keirith A.; Roundy, Bruce A.; Pierson, Fred B. 2019. The ecology, history, ecohydrology, and management of pinyon and juniper woodlands in the Great Basin and Northern Colorado Plateau of the western United States. Gen. Tech. Rep. RMRS-GTR-403. Fort Collins, CO: U.S. Department of Agriculture, Forest Service, Rocky Mountain Research Station. 284p. https://www.fs.fed.us/rm/pubs_series/rmrs/gtr/rmrs_gtr403.pdf

² Jones, A., et al. 2019. Do Mechanical Vegetation Treatments of Pinyon-Juniper and Sagebrush Communities Work? A Review of the Literature. Wild Utah Project.

failed due to using the wrong species to re-seed? Have they failed due to improper livestock grazing or inadequate rest from livestock grazing? Miller et al³ suggest that low success rates of vegetation treatments in sagebrush ecosystems is at least “partially due to the use of seed from inappropriate sources—and the rate of success is closely tied to soil moisture and temperature regimes.”

While uncertainties remain regarding the timing and extent of impacts from climate change, modeling indicates that on average, Montana will likely experience higher temperatures in all seasons; longer dry periods; heavy precipitation events; more frequent droughts; and increased wildfire risk. This will impact how lands recover post treatment, potentially further decreasing the number of acres of good sage-grouse habitat.

The report does not discuss the effects of livestock grazing on the vegetation, soils, and wildlife habitat despite the breadth of scientific studies that detail the impacts of livestock grazing on sagebrush ecosystems.⁴ Livestock grazing is a pervasive land use in the areas conserved as sage-grouse habitat and without an analysis of its impacts all mitigation measures used by MSGOT to offset development may be unsuccessful.

Thank you again for the opportunity to submit comment, and I look forward to continuing to be involved with MSGOT and sage-grouse conservation in Montana.

Sincerely,



Jocelyn Leroux
Washington and Montana Director
Western Watersheds Project
P.O. Box 8837
Missoula, MT 59807
(406) 960-4164
jocelyn@westernwatersheds.org

³ Miller, R. F.; Chambers, Jeanne C.; Evers, Louisa; Williams, C. Jason; Snyder, Keirith A.; Roundy, Bruce A.; Pierson, Fred B. 2019. The ecology, history, ecohydrology, and management of pinyon and juniper woodlands in the Great Basin and Northern Colorado Plateau of the western United States. Gen. Tech. Rep. RMRS-GTR-403. Fort Collins, CO: U.S. Department of Agriculture, Forest Service, Rocky Mountain Research Station. 284p. https://www.fs.fed.us/rm/pubs_series/rmrs/gtr/rmrs_gtr403.pdf

⁴ Belsky, A.J., 1996. Viewpoint: Western juniper expansion: Is it a threat to arid northwestern ecosystems? *Journal of Range Management* 49, 53–59. <https://doi.org/10.2307/4002725>

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Fleischner, T.L., 1994. Ecological costs of livestock grazing in western North America. *Conservation* 8(3), 629-644.

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Milchunas, D.G., 2006. Responses of plant communities to grazing in the southwestern United States (No. RMRS-GTR-169). U.S. Department of Agriculture, Forest Service, Rocky Mountain Research Station, Ft. Collins, CO. <https://doi.org/10.2737/RMRS-GTR-169>

Miller, R.F., Bates, J.D., Svejcar, T.J., Pierson, F.B., Eddleman, L.E., 2005. Biology, ecology, and management of western juniper. Technical Bulletin 152. Oregon State University, Agricultural Experiment Station, Corvallis, OR.